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GENERAL

Diplomat Urges Study of Strategic, International Issues

HK2511024089 Beijing CHINA DAILY in English
25 Nov 89 p 4

[By Chen Fangming]

[Text] A retired senior Chinese diplomat has urged Chinese scholars to further their studies on international and strategic affairs.

"As we enter the last decade of the century, major nations are busy adjusting their policies to take strategic initiative in the next century," said Chen Chu, 72, former head of the Chinese delegation to the United Nations and president of the Foundation for International Strategic Studies.

"In the 1990s, China will face a more complicated international environment, in which two social systems co-exist and two categories of ideologies fiercely confront one another," Chen said in a speech at the opening of the 1989 Symposium for International and Strategic Situation in Beijing.

He warned interdependent international economic relations and cooperations will contend. There will be a sharp struggle for national interests and various efforts will be called for to maintain the balance and stability of international security.

Symposium

The complex and confusing picture poses a big challenge to the scholar's work on strategic studies, said Chen, a former Chinese ambassador to Japan.

The 3-day symposium, which ended yesterday, was jointly-sponsored by the Foundation for International Strategic Studies and four other major institutions in China and was attended by more than 100 prominent specialists from some 20 organizations dealing with such studies across the country.

"Whether we can gain the strategic initiative relies, to a large extent, on our judgment of the trend of international and strategic situation," he said.

General Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army echoed his views.

"If we can make the right judgment on international affairs based on our studies, it would be helpful for our four modernizations and improve the role our country plays on the international stage," the general said at the opening ceremony.

The Foundation for International Strategic Studies was established last summer.

It has established ties with some international and domestic organs including the national Committee for

Sino-American Relations and non-official strategic studies associations in the cities of Shanghai, Wuhan, and Guangzhou and in Jiangsu Province.

Zhai Zhihai, deputy director of the foundation said the foundation supports and pays for scholars studying matters relating to national and military issues.

It also supports academic researches on the strategic ideas of Sunzi, the ancient Chinese military thinker and plans to sponsor an international symposium on his thoughts.

More academic exchanges or symposiums are planned with strategic studies groups in America, West Germany, Japan, France and other nations, Zhai said.

NEAR EAST/SOUTH ASIA

Assessment of Lebanese Situation

HK2911025689 Beijing RENMIN RIBAO in Chinese
24 Nov 89 p 4

["Roundup" by staff reporter Lu Zhixing (0712 1807 2502): "Sudden Change in the Lebanese Situation"]

[Text] Damascus, 23 Nov—On 22 November, the 40th anniversary of Lebanon's independence, the country's ninth president, Rene Muawad, was assassinated after delivering a celebration speech for the anniversary. The president, who was in office for only 17 days, vowed to rescue his motherland regardless of the number of obstacles and sacrifices he would encounter. His sudden death shocked the Lebanese people, who have gone through a good deal.

In his statement of condolence on the death of Muawad, Lebanese Prime Minister al Huss said: "A criminal can destroy a great life, but cannot destroy the beliefs of a nation. Lebanon's will for reconciliation will exist forever."

The death of Muawad brought about a drastic change in the situation in Lebanon, which had just begun a process of reconciliation. Lebanon's future once again stands at the crossroads between civil war and reconciliation.

Muawad was elected president by the parliament on 5 November according to procedures specified by the "Document for Lebanon's All-National Reconciliation" adopted at the Taif conference. After taking office, Muawad said that he would observe all the terms of the Taif agreement and put them into practice. On 13 November, he authorized former Prime Minister al Huss to organize a new cabinet. As soon as he took office, President Muawad frequently contacted and started intensive consultations with leaders of various political parties and religious sects in Lebanon regarding the organization of a new Lebanese government. It was

reported that the establishment of a new Lebanese government would be announced in the near future. However, Lieutenant General 'Awn, the leader of the Lebanese military government, opposed the Taif agreement and condemned the members of the Lebanese parliament who attended the Taif conference for impairing Lebanon's independence and sovereignty and violating Lebanon's Constitution. Before the Lebanese parliament elected the new president, 'Awn disbanded parliament and refused to recognize the result of the election. He also indicated that the organization of the new cabinet by al Huss, with authorization from President Muawad, was illegal and invalid. He prohibited the Christian members of the parliament in East Beirut from joining the new cabinet, thus delaying its establishment. Because 'Awn occupied the presidential house in East Beirut, President Muawad was forced to work in the Government House in East Beirut. Lebanon remained divided.

The assassination of President Muawad evoked great indignation among Arab countries. Syria, Jordan, and the Gulf states strongly condemned the criminal action. The United States, the Soviet Union, France, and other countries also issued statements opposing such terrorist activities. After the assassination, the Syrian president immediately telephoned the Saudi Arabian king, the Moroccan king, and the Algerian president, calling on the tripartite committee of the Arab Alliance to take urgent measures and convene a session of the Lebanese parliament to elect a new president as soon as possible. The tripartite committee of the Arab Alliance is now contacting the United States and the Soviet Union in order to prevent the outbreak of a new civil war in Lebanon.

Reportedly, this morning, the Muslims and the Christians in Lebanon marshalled their troops on both sides of the demarcation line between East and West Beirut, and both sides were on the alert. Syria accused 'Awn of being the murderer of President Muawad. 'Awn said that Syria planned the assassination of Muawad, because Muawad did not agree with Syria's plan for settling the issue of East Beirut by resorting to force.

Some local politicians hold that after the Taif conference, a crisis developed in the Lebanese situation. The Lebanese issue is extremely complicated with various conflicts intertwined with one another. It is very hard to resolve through one agreement or one conference the rancor between various religious sects that accumulated during 14 years of domestic turmoil. Various religious sects continue to maintain their own armed forces and this constitutes a threat to various solutions and may trigger off an unexpected incident at any time. The assassination of President Muawad added more difficulties to the grim situation. Under the atmosphere of terror caused by the frequent occurrence of assassinations, members of the Lebanese parliament are deeply worried about their personal safety. It is hard to expect parliament to hold a session to elect a new president in the near future, still less a new cabinet. On the other hand, the Israeli defense minister threatened that Israeli troops would not withdraw from southern Lebanon until Syria withdraws its troops from Lebanon, and a new Lebanese government is established. This shows that the Lebanese situation will still undergo a difficult and complicated period.

Speculation on Zhao Ziyang's Probable Fate

90ON0039A Hong Kong PAI HSING [THE PEOPLE]
in Chinese No 199, 1 Sep 89 pp 28-29

[Article by Fan Yan (5400 6056): "With Li and Yang Sharpening the Knife, Things Bode Ill Rather Than Well for Zhao Ziyang"]

[Text] Two Things Very Unfavorable to Zhao

Two recent signs show that Zhao Ziyang's safety has been seriously threatened. One is when Yuan Mu accepted the interview by Japan's YOMIURI SHIMBUN reporters; he let the cat out of the bag: "If Comrade Zhao Ziyang is found to have participated in the recent riot, plotted behind the scenes, or instigated this movement, he will be prosecuted according to the criminal law." Another is that, when Deng Xiaoping was on the verge of destruction, Yang Shangkun could hardly wait to grab the political power. He was prepared to destroy Zhao Ziyang as soon as he took control of the highest power.

These two incidents were not isolated. They echoed each other. This group of fascist leaders brutally sounded the death knell of Zhao Ziyang, indicating that now is the grimmest moment in Zhao Ziyang's life and that an unexpected major struggle is imminent. This ill omen shows that the previous cruel suppression of the democracy movement was only a prelude. As the contradiction between two or more sides of the struggle becomes more acute, high tide will come with the momentum of an avalanche.

It was the second time that Yuan Mu had threatened to take Zhao Ziyang to a public trial. This villainous-looking literary prostitute is Li Peng's personal mouthpiece. He only relays his master's words. From the sinister smile on Yuan Mu's face, it is not hard to see the fact that Li Peng is sharpening the knife.

Li Peng's ambition to bring down Zhao did not start with April's student movement. Unwilling to be number two, Li Peng has been watching for a chance to seize power ever since the day Zhao Ziyang was appointed general secretary at the 13th Party Congress in 1987. However, due to the authority of the overlord Deng Xiaoping, Li Peng temporarily concealed his ambition. On 15 April 1989, Hu Yaobang passed away, leading to the unprecedented earthshaking student and democracy movement and providing the chance of a lifetime for Li Peng to carry out his scheme to usurp power.

Finally, Zhao Ziyang was overthrown on the basis of a groundless charge. The complacent Li Peng thought that the coup d'etat succeeded. He never dreamed that the fruits of victory could be snatched by the little-known, under-achiever Jiang Zemin. Li Peng's indignation was expected. During an admonitory talk, Deng Xiaoping emphasized, "Don't be indignant" and "you should consider Comrade Jiang Zemin as the center." These remarks were directed precisely at Li Peng and his

lackeys. Judged from several public appearances by Jiang Zemin since he assumed power, Li Peng always appeared as the number-one man wherever he went. Even at the roundtable Politburo meeting, he looked as arrogant as Deng Xiaoping did when he used to sit next to Zhao Ziyang in the old days. He can no longer cover up his indignation. He understands, of course, that the one who is preventing him from carrying out his scheme to usurp power is no one else but Deng Xiaoping.

Li Peng Prepares for the Fall of Jiang Zemin

Because of this, Li Peng must thoroughly destroy Zhao Ziyang before Deng Xiaoping dies and make Zhao Ziyang look worse than dog shit in the heart of Deng Xiaoping. Besides, he will use this opportunity to show Deng Xiaoping that he has contributed so much and that Jiang Zemin is not qualified for general secretary's position, forcing Deng Xiaoping to dethrone Jiang and crown Li. If Deng Xiaoping suddenly kicks the bucket, Li Peng will have enough political capital to overthrow Jiang. He needs not to worry about success if he relies on the support of Yang Shangkun's gun. This is Li Peng's wishful thinking.

Yang Shangkun, however, has his own plan. This old fascist warlord has had his eyes on military power for a long time. Before the 13th Party Congress, he was the vice chairman and the secretary general of the Central Military Commission and was ready to succeed Deng Xiaoping. But he did not know that the 13th Party Congress would push Zhao Ziyang to the seat of general secretary and place Zhao in the Military Commission as first vice chairman, which was a position created specially for Zhao. It was only natural that this practice upset Yang Shangkun and his military faction. Zhao Ziyang was far inferior to Yang Shangkun in both qualifications and military authority. Deng Xiaoping suddenly decided to put a man like Zhao Ziyang with little influence in the military on top of the old warlord Yang Shangkun. This would have fired up Yang Shangkun even if he were a peaceful and quiet living Buddha. Firing Zhao Ziyang from the position of first vice chairman of the Military Commission has indeed removed a barrier for Yang Shangkun's stepping into the limelight. But Zhao Ziyang used to be the local bully in Guangdong, Sichuan, and Nei Monggol and he had close relations with the local military. After he became the general secretary and the first vice chairman of the Central Military Commission, he established new relations with various military regions and field armies. So his power should not be underestimated either. This is the reason Yang Shangkun and Li Peng risked universal condemnation transferring to Beijing several hundred thousand picked troops under their direct control. Yang Shangkun said that troops were not brought in to fight the students. We can trust him because his first intention was not to fight the students, but to fight Zhao Ziyang's force. After seeing that the intraparty struggle was unpredictable, this group of fascists finally decided to carry out the massacre and then shift the blame onto Zhao Ziyang to make him lose all ability to resist.

Eliminate Zhao's Political Influence Once and for All

Militarily or in strength Yang and Li have won, but politically they have suffered a crushing defeat. To reverse this situation, they must stage a political offensive and eliminate Zhao Ziyang's political influence once and for all. They will go so far as to destroy Zhao Ziyang's body to prevent the possible occurrence of a student strike staged some day to "mourn Zhao." In the near future, they need to eliminate the possibility that Zhao Ziyang will stage a comeback after Deng's death. For this, a series of so-called plots to criticize Zhao have been carried out swiftly.

Since Zhao Ziyang's fall, Li Peng and Yang Shangkun have done all they can to gather Zhao Ziyang's crimes. Six red- and black-top central documents on exposing and criticizing Zhao Ziyang's "crimes" have already been distributed to organs at and above county and regiment levels. There are, of course, many more articles devoted to unfair and exaggerated criticism. The method that Li Peng and Yang Shangkun adopted is no different from the one the gang of four used in the past to criticize Deng Xiaoping. What they basically did was to seize one point and expand to others.

The most typical criticism is the one made by the finance minister, Wang Bingqian. As a finance minister who did not do his job well and caused 9 consecutive years of financial deficits, Wang Bingqian does not feel a bit ashamed of himself. Instead, he shifted all responsibilities to Zhao Ziyang, blaming Zhao for "failing to uphold socialism and achieve an overall balance in economic work." This kind of dirty trick to fabricate charges against people is obviously a politician's move. This characteristic can be found in all other criticisms. For instance, in an article entitled "The Essence of 'Reform' Is To Do Away With Ideological and Political Work," the author criticized, when he proposed "reforming ideological and political work," Zhao Ziyang "actually miscalculated the development of the situation and the history and current situation of ideological and political work, and catered to the political needs of those who practiced bourgeois liberalization." "Comrade Zhao Ziyang raised the slogan of 'reforming ideological and political work' in order to openly raise a banner. Raising this banner is an inevitable outcome of his long-time practice of underestimating ideological and political work. It is also a beginning of his further efforts to negate the fine tradition of the party's ideological and political work and to do away with ideological and political work. Regardless of his intention, what we saw is that, under the influence of Comrade Zhao Ziyang's idea and slogan, work in the ideological sphere has slackened, the contingent of political cadres has weakened, and the ideological front of the proletariat has disappeared in many units. The consequence of this is extremely serious."

There Are Still Some Reservations in Criticism of Zhao

The purpose of quoting this long paragraph of sheer nonsense here is to explain that, in order to put political

enemy Zhao Ziyang to death, literary prostitutes have stooped so low that they will use any means, fair or foul.

In Mainland China, a person is guilty as long as his charges are clearly written on a piece of paper. Political crimes do not need to be based on facts or judged by law. In the past 40 years of CPC rule, all political and ideological prisoners, who were persecuted in past political movements, were put to death with this method. Zhao Ziyang naturally will be no exception.

However, as of today, central documents and other documents criticizing Zhao have all reserved the address of 'comrade' for Zhao Ziyang. This shows that they still have some reservation in their criticism. Besides, critical articles always try to avoid Zhao Ziyang's report to the 13th Party Congress. Literary prostitutes only dwell on a few words picked out from some insignificant routine speeches of Zhao Ziyang. Like Mao Zedong's analogy, they "cut meat with a dull knife" and will not see blood for a long time. It is not that they do not want to find fault in the report of the 13th Party Congress, but Deng Xiaoping gave instructions, "You must not touch a word in the report of the 13th Party Congress." Anyone who is not a fool can see that this forbidden zone is established because the report of the 13th Party Congress was drafted on Deng Xiaoping's instructions and repeatedly changed by Deng Xiaoping himself. Criticizing the report is bound to implicate Deng Xiaoping. At present, nobody, including Yang Shangkun, Li Peng, Yuan Mu, or other vile characters, has the courage to pick on the overlord. But this makes it impossible to deepen the movement to criticize Zhao.

Since "criticism" alone cannot discredit Zhao and make him plead guilty, the only way is to connect Zhao Ziyang with the "riot" and try to frame him as the archcriminal and chief culprit who "instigated the riot," just as the gang of four framed Deng Xiaoping as the backstage manipulator of counterrevolutionary events in 1976.

Deng Disagrees About Going Too Far in Criticizing Zhao

This thing is actually not that difficult because there are many ways to frame Zhao Ziyang. If they are determined to send him to the guillotine, the court will obey the instructions of the CPC Central Committee. Then why don't Yang Shangkun, Li Peng, and others hurry up and get it over with instead of cooking fish over a small fire? The reason still is that Deng Xiaoping is the major obstacle.

When Jiang Zemin was appointed as the "center," Deng Xiaoping said to give Zhao Ziyang a 2-year "review period" and asked that they "do not quarrel for 2 years." He thought for sure that once he issued the imperial edict, the little ones will obey it. As a matter of fact, they are a group of careerists who comply in public but oppose in private. They cannot wait to destroy Zhao Ziyang immediately. Their method is to mobilize a group of literary prostitutes to write critical articles. First, they will eliminate Zhao Ziyang's influence. Then

they will find evidence of the crime of "instigating riots" in those critical articles and use it to convict Zhao at one fell swoop. This, of course, is not "quarreling" and Deng Xiaoping will have nothing to say.

However, Deng Xiaoping disagrees about going too far in criticizing Zhao, not because he wants to protect Zhao Ziyang. This cunning short politician knows only too well that Zhao Ziyang did everything according to his wishes; that, as the party's general secretary, Zhao Ziyang was merely a child emperor; and that, if they dig too deep into Zhao's problem, they will find the root, which is Deng himself. The massacre of "4 June" has swept his reputation into the dust. If criticizing Zhao too far causes him to lose all his standing and reputation, he will really be going down in history as a byword of infamy. The reason he must firmly guard the report of the 13th Party Congress as a line of defense cannot be more clear.

But Deng Xiaoping is seriously ill and has not many days to live. He cannot help himself. In name, he still is the chief steersman, but he is, in fact, being kept from the truth. Li Peng told the outside that Deng is "resting quietly" in Beidaihe, which explains that all he hears is the sighing of the wind in the pines and all he sees are the waves of the sea. This blind and deaf man has no idea of what is happening in Beijing. He thought that the little ones are reviewing the past like he told them to!

Zhao Ziyang Is on the Verge of Destruction

Although Zhao Ziyang is in a perilous position, he will not be subject to violent treachery as long as Deng Xiaoping is still alive. Judged from this point, Zhao Ziyang's life is linked to Deng Xiaoping's. To say it in a more refined manner, they now have "a common destiny." If Deng Xiaoping is summoned by Hitler tomorrow, Zhao Ziyang will probably not live through the day after tomorrow.

Even if Deng Xiaoping were not seriously ill, he is nearing his end because of age. However, the fact that he was anxious to make arrangements regarding the personnel issue of the Central Military Commission shows that he already knew his destiny.

A recent report says that Yang Shangkun and Qin Jiwei clashed while fighting over the position of the first vice chairman of the Military Commission. This may be a rumor. Everybody knows that the first vice chairman's position did not exist before the 13th Party Congress. It was created specially for Zhao Ziyang. Just as Mao Zedong created the position of the party's first vice chairman in order for Hua Guofeng to succeed him smoothly after his death, Deng Xiaoping deliberately created this position in order to hand the military power to Zhao Ziyang. Now that Zhao Ziyang is dethroned, this position can be eliminated completely. If Deng Xiaoping wants to give Yang Shangkun the military power, he does not need to place Yang Shangkun in the position of the first vice chairman. Since Yang Shangkun is now the permanent vice chairman—the only vice chairman—he

will naturally become the successor to Chairman Deng Xiaoping. Therefore, speculating on who will seize the vice chairman's position in the Military Commission makes no sense.

If Deng Xiaoping detected Yang Shangkun's ambition and did not want to give him the military power, Deng could use the method of "joint council" to replace chairman and vice chairman.

Currently Yang Shangkun relies on the power of Li Peng and the old man's party to do all he can to seize the command power of the military. His greatest goal is to force Deng Xiaoping cancel the first vice chairman's position. If he succeeds in this conspiracy, a general crisis will occur in the country and the nation. The consequence is dreadful to contemplate.

In sum, Zhao Ziyang is already on the verge of destruction. Yuan Mu let the cat out of the bag on behalf of Li Peng and Yang Shangkun, which undoubtedly was a notice to claim his life. Unless something unexpected happens, Zhao Ziyang's days are numbered! Even if he escapes the guillotine, a 70-year-old man cannot withstand the torment of cruel torture and a long imprisonment.

Recent signs show that the Li-Yang group is stepping up efforts to hatch a plot to destroy Zhao Ziyang. Based on common sense, once Zhao Ziyang is destroyed, Li and Yang's death knell will sound simultaneously because history shows no mercy to those who go against the historical trend.

Dissident Faults Deng Xiaoping on Reform

40050711A Hong Kong CHING PAO [THE MIRROR]
in Chinese No 145, Aug 89 pp 36-39

[Interview with Ruan Ming, former deputy director of the Theoretical Research Department of the Central Party School, by Mo Li-ya (5459 0448 0068): "Ruan Ming Claims That Deng Xiaoping, Unable To Break Through Chen Yun's Beseigement, Recalled Orders on Political Reform and Opposed Capitalism 9 Years Ago"]

[Text] Ruan Ming [7086 6900] said, "By saying that Deng Xiaoping fought a 'new Huai-Hai Campaign,' I mean that Deng himself likes to engage in things of this style. It has his personal color. It is also the cause of his true personal tragedy. Finally, he was surrounded by old men and the most conservative forces and made a historic erroneous decision. I can neither totally affirm nor totally negate Deng as a person."

An academic seminar called "The Development of Both Sides of the Strait: Review and Prospects" was jointly sponsored by the North American Society of 20th Century Chinese History and the School of Social Sciences and Human Studies at New York University. The seminar was held at New York University on 17 and 18 June. Attending this meeting were more than 60 scholars and professors from Mainland China, Taiwan, and all

over the United States, including Chen Fulin [7115 4395 7207], Tang Degang [0781 1795 0474], Zheng Zhuyuan [6774 4554 0954], Zhou Juyuan [0719 6830 0626], Xiong Jie [3574 3775] and Ruan Ming, former deputy director of the Theoretical Research Department of the Central Chinese Communist Party School.

The night before the speech, Ruan Ming rewrote his thesis. Within the 15-minute time limit allowed for every speaker, Ruan Ming completed his speech on the democracy movement of May and June in mainland China.

After the seminar, Ruan Ming accepted my exclusive interview. h3

Wang Zhen Insisted on Expelling Ruan Ming From the Party

Reporter: Through what channel did you make the trip to the United States?

Ruan Ming: After I was expelled from the party in March 1983, I heard that Wang Zhen was going to send me to Xinjiang to be reformed through labor. Some people said that Hu Yaobang did something on this issue, but the fact is that I have not talked to him since my expulsion from the party. Wang Zhen said, "Ruan Ming used Hu Yaobang to oppose Chen Yun at the party school." In fact, I did nothing to oppose Chen Yun at that time. It was all distorted. I stayed at home every day, getting paid only 130-some yuan a month in basic salary. I was not entitled to any pay raises or bonuses. At an all-school rally of the Central Party School held to criticize Hu Yaobang, Wang Zhen said, "The CIA invited Ruan Ming to lecture in the United States. We must not let him go. I have already told Qiao Shi to keep an eye on Ruan Ming." The fact is that I applied for a 1-year tour through a fellowship at Columbia University. Since Wang Zhen made it clear beforehand, I had no choice, but resigned my position at the Central Party School and visited the United States.

Reporter: How were you expelled from the party? Was your wife implicated?

Ruan Ming: I joined the Communist Party of China in 1946 when I was in middle school in Shanghai. After I joined the party, I participated in the underground student movement. Later, I went to Yanjing University in Beijing. I once worked at the Central Propaganda Department. I was in Ningxia during the Cultural Revolution. In 1977, after Hu Yaobang went to the Central Party School, he transferred me to the Central Party School to work as deputy director of the Theoretical Research Department. Under his leadership, I conducted theoretical criticism of ultraleft doctrinarism that hindered the progress of history. I participated in the drafting of the communique of the 3d Plenary Session of the 11th CPC Central Committee, including Deng Xiaoping's speech at the plenary session. I did all this because the party asked me to. I was actually representing the political power of the time. In the summer of 1982 Wang Zhen went to the party school and took an article which I wrote about Deng Xiaoping's

reform of party leadership system. It was a draft of speech I had delivered at a forum sponsored by the GUANGMING RIBAO. In this speech, I focused on opposing feudalism and promoting democracy and freedom. When this article was published in 1980, nobody said that there was anything wrong with it because Deng Xiaoping himself was saying the same thing at that time. In 1982, a New York-based magazine that published both domestic and international editions reprinted the article, and Taiwan's CHUNG-YANG SHIH-PAO [CENTRAL TIMES] newspaper reported that Ruan Ming published an article in an American magazine, talking about democracy and freedom. For this, Deng Liqun wrote six words on a note: "This is an article opposing communism." After he wrote the note, he gave it to Wang Zhen. I was conducting an investigation in Hainan Island at the time. Wang Zhen said, "Ruan Ming wrote an article to oppose communism and will be expelled from the party within 3 days." He let me rush back to the party school from Hainan Island at night. At the time, I said that it is against the party constitution for Wang Zhen to do so and I should be allowed to attend the rally of the party branch, which must be held in order to expel me from the party. As it turned out, when the rally of the party branch was held, I was stopped at the door by someone. I said, "If I am not allowed to go in, their decision on expelling me will be void, for the party constitution stipulates that the person to be expelled from the party should be allowed to argue for himself." So I was allowed to explain the situation at the rally and escaped expulsion from the party in 1982. I reported and appealed to the Central Discipline Inspection Commission, stating that Wang Zhen made a false accusation of me based on fake material. The Central Discipline Inspection Commission called a Standing Committee meeting and decided to set up an investigation group and transfer to the investigation group all materials that Wang Zhen used to frame me. Li Chang [2621 2490], secretary of the Central Discipline Inspection Commission, talked to me twice. After I made everything clear about the article I had written, Wang Zhen said, "During the Cultural Revolution, when Tao Zhu [7118 6999] was minister, Ruan Ming served as chairman of Tao Zhu's Cultural Revolution Committee and belonged to the three categories of people." Several central ministers and secretary general Zhou Yang [0719 2254] and Tong Dalin [4547 1129 2651] all wrote reports, stating that what Wang Zhen said was not true. Wang Zhen called the couple, Tong Dalin and Zhou Yang, to his house and told them, "You do not understand what is going on, so don't say anything." This forced me to appeal to the Central Discipline Inspection Commission again. When the Central Discipline Inspection Commission had barely begun the investigation, Wang Zhen discussed the matter with Deng Liqun and went to Chen Yun. Wang Zhen announced at the Central Party School that Chen Yun had made three remarks on the Ruan Ming issue: Ruan Ming cannot stay in the party; Ruan Ming cannot stay in the party school; Ruan Ming's articles cannot be published in any newspaper. That night, the party branch of the Central Party School

Administrative Committee held a meeting and voted me out of the party. Some members of the party branch found an excuse not to attend the meeting. Those who attended the meeting had to agree; otherwise they would have been accused of failing to stay in line with the CPC Central Committee. It was under such circumstances that I was expelled from the party.

My wife, Ruan Ruoying [7086 5387 3841], used to be the director of the office of the theoretical department and secretary of the party branch of the Central Party School. On the day I was expelled from the party, Wang Zhen stripped her of all her duties and did not let her do any work for 6 months. She was paid only basic wages and was treated like I was. Since everyone in her department agreed that she was a good worker, they let her do things like being a students' supervisor. During the general adjustment of wages in 1983, Wang Zhen instructed, "Do not give a raise to Ruan Ming's wife." I was the target of criticism and attack, but she was implicated too. Now she is over 55 years old. She is applying for retirement.

Hu Qiaomu and Deng Liqun Oppose Structural Reform

Reporter: What do you think is the historical and social cause of this unprecedented democracy movement?

Ruan Ming: In August 1980, at an enlarged Politburo meeting, Deng Xiaoping spoke on the "reform of party and state leadership system." Immediately after that, he had "a talk with Italian reporter Falacci." Deng proposed structural reform and said that there were bad things in the CPC system and that they came from two sources: one was feudal autocracy; the other, Stalinism. In fact, one was old tradition; the other, new tradition. Both were highly totalitarian autocracy. There was no democracy under such a system, so leaders were likely to make mistakes. Deng said, "Mao Zedong once said that mistakes like Stalin's, which was a violation of the legal system, could not happen in Western countries such as the United Kingdom, the United States, and France because they have systems that can act to restrict individuals." Deng told Falacci that it was because we did not have such systems that people like Mao could commit a mistake as serious as the Cultural Revolution in their old age. Therefore, the system is the most important, more important than people. The system has greater stability and decisiveness, so we must carry out the reform. Looking back now, what Deng said has actually come true. Structural reform was brought up by Deng himself, but why can't he carry it out? Because there is a conflict of interests concerning those in power.

Back then, the intellectual and theoretical circles all vigorously supported Deng's speech on "reforming the system." People like Hu Qiaomu and Deng Liqun, however, opposed it. They wrote a letter to Secretary General Hu Yaobang, saying that they should not advocate opposing feudalism nor publicize Deng's speech. Just then the Solidarity Union incident occurred in Poland. Hu Yaobang said that the Poland incident could

never occur in China because China does not have Poland's problems. Deng also said that such an incident will not occur in China. Hu Qiaomu and Deng Liqun thought that their power was insufficient, so they went to see Chen Yun. Chen Yun made the following remarks: "The Poland incident could also happen in China if we fail to pay attention to the issues of propaganda and economy. (Chen Yun mentioned two things in particular at the time: RENMIN RIBAO carried too many articles on liberalization, and that year's budget had deficits.) If we fail to solve these two problems, the Poland incident may happen in China."

Hu Yaobang Steps Down Amid "Antiliberalization" Voices

For this, a central work conference was held in December 1980. At the conference, "opposing feudalism" and "reforming political system" were overturned, and "opposing liberalization" was put forward. The campaign to "oppose liberalization" began in December 1980 to ban the wall of democracy, outlaw illegal publications, and criticize *Unrequited Love*. At that time, the spearhead was already directed at Hu Yaobang. Some said Hu Yaobang was weak; others said Hu supported *Unrequited Love*. Zhao Yiya [6392 2496 0068] and others in the military also published articles to criticize Hu, saying that Hu was secretly supporting *Unrequited Love*. As a matter of fact, beginning in late 1980, Deng Xiaoping took back what he proposed earlier, gave up on political reform, advocated "opposing liberalization" politically, and suggested reform and opening up economically. By 1986, the economic reform also came to a halt because of increasingly serious corruption and "official racketeering." At this time, students set forth the demand of democracy, and Deng Xiaoping again brought up political reform. Newspapers also published Deng's 1980 speech. Chen Yun, Hu Qiaomu, and Deng Liqun, however, stood up again to oppose this idea. Lu Dingyi pointed out that we should not "oppose liberalization" because we had never had good results from such a campaign; whereas other people insisted that "opposing liberalization" should be included in the "resolution on ideological progress." The squabble continued at the 6th Plenary Session of the CPC Central Committee. Lu Dingyi stood up and said that "opposing liberalization" must not be included in the resolution. When the gang of four criticized Deng Xiaoping, didn't they also say that Deng Xiaoping was for "liberalization"? Then Peng Zhen and others also took the floor. Seeing this, Deng Xiaoping said that no matter how wrong it was to "oppose liberalization" in the past, in order to meet political needs, we should include "opposing liberalization" in the resolution and continue to oppose liberalization in the next 20 years. Later, Hu Qiaomu and Deng Liqun said we should oppose it in the next 70 years until the mid-20th century. So students took to the street again, resulting in Hu Yaobang's downfall. This is the background of Hu Yaobang's fall in early 1987.

Deng Xiaoping Yields to Most Conservative Force

Deng Xiaoping wavered between "opposing liberalization" and carrying out structural reform. Finally, he yielded to the most conservative force and became increasingly dependent on it. Now Deng Xiaoping has made Zhao Ziyang come down. In fact he has gone back to the tone of Chen Yun, resulting in across-the-board political and economic regression. Deng Xiaoping has come to this stage today. Although he realizes the importance of structural reform, he has failed to carry it out and find a mechanism to restrict power. Although he realizes that the effects of the patriarchal system implemented by the past few leaders of the party were undesirable, he himself, however, has become the most autocratic patriarch. Zhao Ziyang was actually forced down by only a handful of old men. If there were a system, Deng Xiaoping could not have enforced military control, martial law, or massacre without proper authorization.

Tens of thousands of soliders were mobilized this time. I said that Deng Xiaoping fought a "new Huai-Hai battle." Deng himself likes to engage in things of this style. It has his personal color. It is also the cause of his true personal tragedy. Finally, he was surrounded by old men and the most conservative forces and made the historic erroneous decision.

Deng Xiaoping tries to combine economic reform and opening up with political autocracy. I think that it is impossible to succeed. On the one hand, the reform and opening up have created independent and semi-independent economic, political, and cultural forces; on the other hand, the combination of autocratic privileges and a partial market system (the dual-structure and dual-track system) has bred a large number of bureaucratic economic parasites. Consequently, corrupt phenomena such as "official racketeering" have increased sharply in number and become the target of common opposition by the people of all strata. This is the social and historical cause of the unprecedented large scale of this democracy movement.

Historical Significance of 1989 Democracy Movement

Reporter: What is the historical significance of this democracy movement?

Ruan Ming: Mainland China witnessed the most profound and drastic change in the history of the 20th century: An unprecedentedly large-scale democracy movement and an unprecedentedly cruel massacre, search, and arrest. The historical significance of this incident, I think, includes the following two points: First, it shows that the democratic force of Chinese people has grown and expanded. Ten years of reform has begun to form independent forces among Chinese students, workers, citizens, and intellectuals. Self-governed student, worker, and citizen associations and the intellectual circle association were declared "counterrevolutionary organizations." This incident shows that Chinese no longer depend on "one leader, one party, and one doctrine." Instead, they have realized that they have

power as a people and they are really going to stand up. In 1949, Chinese people stood up as an independent nation to free themselves from imperialist suppression. Today, 40 years later, Chinese people stood up as independent individuals to free themselves from the yoke of autocracy.

Second, it shows that autocracy becomes more cruel and brutal as it draws closer to its end. Marx once said: "Autocracy is bound to have some barbarity, which is incompatible with humanity. Barbaric relations can be maintained only with barbarity. Marx never imagined that under an autocratic system that flaunts Marxism, brave people were prepared to use peaceful, rational, orderly, and self-sacrificing, civilized methods to tackle government's tear gas, high-pressure firehoses, rubber bullets, and electric clubs. Little did they know that receiving them were inhuman troops who used tanks, machine guns, flamethrowers, and dum dum bullets to kill unarmed people indiscriminately. China is turning into a horrible army camp. In order to save their own necks, people sent innocent relatives to prison, older sisters informed against younger brothers, and mothers turned in their own sons—this ugly history is repeating itself in China.

The 16 June editorial of RENMIN RIBAO, "The Programmatic Document That Unifies the Ideology of the Party," says, "Deng Xiaoping's keen insight and scientific judgment will play an important role not only in China's socialist undertaking but also in the successful development of the international communist movement. In this sense, Chinese Communists, represented by Deng Xiaoping who saved a desperate situation, deserve to be called the mainstay of great socialist—communist—undertaking." Please don't forget the history that Mao Zedong's "keen insight and scientific judgment" made Khrushchev send troops to Hungary.

Fortunately, the self-declared "mainstay" is merely an isolated island surrounded by the democratic waves of the world. China's democratic force cannot be totally destroyed. The day to end autocratic rule and establish an institutionalized modern democratic government will not be too far.

Historical Tragedy of the Communist Party

Reporter: What kind of role do you think the CPC played in this democracy movement? Do you still have hope for the Communist Party?

Ruan Ming: The greatest irony is that what the Communist Party fears today was exactly what it aimed to achieve in the past. The Communist Party did not hesitate to use troops, machine guns, and tanks to destroy the people's demand for freedom and democracy, thus writing a historical tragedy for itself.

Forty-four years ago Mao Zedong proposed "building an independent, free, and democratic China." Mao explained, "Democracy refers to Lincoln's democratic ownership, rule, and education. Governments at all

levels, including the central government should be elected through general, equal, anonymous ballots. Freedom refers to Roosevelt's four great freedoms: freedom of speech and expression, freedom of religion, freedom from want, and freedom from fear." In the same year, Zhou Enlai also said: "The CPC will use democracy to solve all of China's problems. We may learn from three aspects U.S. democracy: First is the independent spirit of the Washington era. Second is the democratic privilege, ownership, and rule of the Lincoln era. Third is the four great freedoms of Roosevelt."

The demands of this democracy movement did not exceed the Communist Party's goal of 44 years ago. In those years, what the Communist Party asked us to do was to build a new, democratic, free China and to oppose autocratic rule. Now what the students are doing is to fulfill the ideal of the party when I joined it. The slogans the students are now shouting and the songs they are now singing are the same as those I sang when I was young: "Fire at fascists and kill off all systems that are not democratic!" The target back then was Chiang Kai-shek's government, which had "one leader, one party, and one doctrine." Mao Zedong wrote a commentary, "Chiang Kai-shek's Government Is Surrounded by the People," talking about two fronts—military and political. "The Political front is the great, righteous student democracy movement." Without the democracy movement between 1945 and 1949, the victory of the CPC could not be imagined. Under the historical condition of that time, "political power grows out of the barrel of a gun" was only half true or less than half true, for Chiang Kai-shek owned no fewer guns than the Communist Party. The tragedy was that after it seized political power, especially after the 1950's Korean war, the Communist Party abandoned new democracy and implemented Stalinism until the Tiananmen incident in 1976, when it became the enemy of the people.

The entity—the Communist Party—formed by history, I think, should be distinguished from the current group of old men who usurped political power. Some people think: "We fought for the land, so we have the right to rule it." They have forgotten the history of the Communist Party and their past goals. I believe that the students' demand for democracy is supported by the majority of party members. There are only a few party members who have been really corrupted by power. I agree to change the leading body of the party and the current autocratic group, but I do not agree to "overthrow the Communist Party."

In fact, the people do not want to "overthrow the Communist Party and socialism." They want to continue economic reform and opening up, end political autocracy, and go back to the previous democratic goals of the Communist Party. The people not only sang loudly at Tiananmen Square those democratic songs that the CPC used to sing in the past, but also proposed learning from the democratic reforms of today's Soviet and East European Communist Parties. The peacefulness and reason shown in this democracy movement are

the important reason why the movement was unanimously supported by all people and media in the world.

I still have hope for the Communist Party, but I have no hope for Deng Xiaoping.

Deng Xiaoping's New "Huai-Hai Battle"

Reporter: What do you think about Deng Xiaoping?

Ruan Ming: I will use Deng Xiaoping's own words which he said on two occasions. Once, he said that Mao was "30 percent mistakes and 70 percent achievements" and that he himself was at best "40 percent mistakes and 60 percent achievements." Another time was when he was criticizing Hu Yaobang. He said that some people said that "Hu was a great Marxist which I am not myself." I think that the fact that Deng made these remarks shows that he knows his limitations. I can neither totally affirm nor totally negate Deng as a person.

In my opinion, Deng Xiaoping completed Mao Zedong's 30-year change in a shorter period of time. In a short period before and after the 3d Plenary Session of the 11th CPC Central Committee, Deng advocated democracy, affirmed the wall of democracy, and praised "the bourgeoisie, which practices democracy, exceeds all exploiting classes that have ever existed in history. The good things of the bourgeoisie should be vigorously developed." (His speech at a discussion of ideological guidelines for theoretical work, which was held on 27 January 1979). In August 1980, at an enlarged Politburo meeting, he still talked about the reform of party and state leadership system and said that things like the destruction of the legal system by Stalin and Mao Zedong could not happen in Western countries with democratic systems, such as the United Kingdom, France, and the United States. But only 4 months later, he changed his tune and accepted the proposal by Chen Yun, Hu Qiaomu, and Deng Liqun to "oppose liberalization."

Forty years ago, Deng Xiaoping commanded hundreds of thousands of troops in fighting the famous Huai-Hai battle and annihilated the main force of Chiang Kai-shek's army. Today he again mobilized hundreds of thousands of troops to fight this "new Huai-Hai battle." But what did he wipe out this time? On the surface, it seems that he has wiped out the people's democracy movement and the reform force in the Communist Party. He announced that the goal of the democracy movement and the reform force was to "overthrow the Communist Party and the socialist system and establish a Western-style bourgeois republic." In fact, the last battle of Deng Xiaoping was exactly what really pushed the "Communist Party" and the "socialist system" toward crisis.

Now, the goddess of democracy in Tiananmen Square has been smashed in blood and tears along with the flesh of numerous democratic fighters. Since Beijing's dawn massacre on 4 June 1989, Deng Xiaoping has continued to track down and kill workers, students, citizens, and

democracy movement leaders. His next step will be to suppress and clean up democratic and reform forces in the intellectual circle and the Communist Party.

I think that Deng Xiaoping's real tragedy is that, at the very moment his dum-dum bullets went through the body of democratic fighters, he could not even see that his "enemies" were defending the reform of the Communist Party which he once represented and were expecting him to recover the goals he lost on the road of advance. His dum-dum bullets blew up the blood and flesh of democratic fighters as well as the people's last gleam of hope for the Communist Party.

I Take Responsibility for What I Said

Reporter: Will you have trouble at home after making such remarks in the United States?

Ruan Ming: I take responsibility for what I said. What I said is history, what happened in the past, what is happening now, and my opinions on these things. What I said is merely my opinion because I am responsible to history. I said these things while I am in the United States. I will say so after I return home. As long as they are facts, history, and truth, nobody can erase them. History will not negate them even if some people try to negate them temporarily. I just recorded this chapter of history from the angle of my knowledge. I hope that my remarks can be seen by the people at home and by Deng Xiaoping.

I did not totally negate Deng Xiaoping or the history of the Communist Party. I only said that Deng Xiaoping completed this change in history and finally negated himself and the Communist Party. If Deng Xiaoping could see your report, he still has time to change while he is still alive. But I think that the chances are very slim. If Deng Xiaoping thinks I am guilty because of what I said, I think that history will acquit me and declare me not guilty in the end. I give you my consent to publish my remarks.

18 June 1989, at the Chunhui office of New York

Commentator Praises Working Class

*HK2311064889 Beijing LIAOWANG [OUTLOOK]
in Chinese No 45, 6 Nov 89 p 1*

[Commentator's article: "Wholeheartedly Rely on the Working Class"]

[Text] In a speech at the meeting to celebrate the 40th founding anniversary of the PRC, General Secretary Jiang Zemin stressed the importance of "wholeheartedly relying on the working class." This is an issue of great importance to the nature and destiny of the party and the state and to the success of socialist modernization.

The working class is the most revolutionary class in history, is closely linked with large-scale modernized production, and was deeply oppressed and exploited in the old society. With the most advanced ideology and being the firmest in revolution, the working class can unite with and

lead other laboring people in a revolutionary struggle for complete liberation. The Chinese democratic revolution took on a new look as soon as it came under the leadership of the working class and its political party, the CPC. Despite the fact that the Chinese democratic revolution took the form of surrounding cities from the rural areas by means of armed struggle and that peasants accounted for the majority of the revolutionary forces, the working class and its political party played a decisive role in leading the revolution to victory.

The working class became the master of the country after New China was established. Article 1 in the general program of the Chinese Constitution provides: "The People's Republic of China is a socialist country under the people's democratic dictatorship led by the working class and based on the worker-peasant alliance."

The working class is the principal force in socialist revolution and construction. For the last 40 years, the working class has been combed by the wind and washed by the rain, and has taken the sky as curtains and the earth as a mat. They have built bridges in mountains and across rivers, opened oil fields in grasslands and seas, excavated coal from under the ground, and lumbered in deep forests. They have set up 4,300 large and medium-sized enterprises with a total investment of 2,000 billion yuan; they have formed an industrial system with comparatively complete categories covering an annual steel output of 60 million tons, an annual coal output of 900 million tons, an annual petroleum output of 130 million tons, and an annual electric power generation of 500 billion kilowatt hours. Increases in agricultural production cannot be separated from the support of industry. Therefore in the past the working class made the greatest contribution to construction; in the future the working class will still remain the first force to rely on in socialist modernization.

The working class is the mainstay of the country in upholding the socialist orientation, preserving stability and unity, and maintaining steady development. In the recent turmoil and counterrevolutionary rebellion, the Chinese workers held firm to their posts and made important contributions to stopping the turmoil, putting down the rebellion, and maintaining social order, thereby displaying their firmness in politics. Therefore the working class is the mainstay of the country's socialist cause.

Workers, particularly industrial workers, represent the advanced productive forces and production relations. Their high sense of organization and discipline, their spirit of self-sacrifice, their spirit of hard struggle, and their initiative spirit constitute a precious spiritual wealth in socialist modernization. The entire Chinese people should learn from their spirit, take them as our example, and unite with them so as to form a powerful contingent that will advance in uniform steps. Thus no difficulties can hamper us from heading toward victory.

In short, we should wholeheartedly rely on the working class both in material and spiritual civilizations.

It is very important to have an explicit understanding of this point. Several years ago some people had obscure views on or even forgot this common theory. Advocates of bourgeois liberalization took advantage of this opportunity to claim that the working class could no longer be a leading class in our country. They asserted that only when a "middle class" came into being would there be a basis for China's "democracy" and would modernization be carried forward. This was a plot to subvert the socialist system by using the Chinese people's blood and sweat to foster a bourgeois class dependent on international capital. This has proved that recognizing the leading role of the working class and wholeheartedly relying on it really has an important bearing on the nature and destiny of the country. We should always bear this in mind.

The Chinese peasants have always been the natural allies of the working class. The worker-peasant alliance is the cornerstone of our country and social stability. We will be able to further consolidate the worker-peasant alliance on a new basis only by wholeheartedly relying on the working class, bringing its leading role into full play, and strengthening mutual assistance between industry and agriculture and between the urban and rural areas.

Intellectuals are a part of the working class. It is impossible to carry out socialist construction without them. In wholeheartedly relying on the working class, we should also rely on intellectuals, conscientiously implement the party's policy on intellectuals, care for and protect them, nurture, and expand the intellectual contingent. Intellectuals, particularly young ones, should seriously study Marxism-Leninism-Mao Zedong Thought, join with the workers and peasants, and practice and display their role in socialist construction. A small number of people who obstinately persist in their bourgeois liberal stand and collaborate with overseas anticommunist forces in an attempt to overthrow the CPC leadership and subvert the socialist system do not represent Chinese intellectuals. They are renegades of the nation who are spurned by the vast numbers of Chinese intellectuals.

Today the party Central Committee has once again stressed the importance of wholeheartedly relying on the working class. This call has been issued in good time. Profoundly understanding its significance and acting in this spirit serve as an important guarantee for our work in all fields.

Functions, Limits of Press Supervision

90ON0146A Beijing JINGJI RIBAO in Chinese
16 Oct 89 p 2

[Article by Kou Chengmao (1379 2052 2434): "Press Supervision and Law"]

[Text] A recent item appeared in a number of newspapers with the heading, "Why Is Press Supervision Ineffective?" A certain construction company continued questionable practices without constraint despite exposure by the press. The company had been operating with flagrant violations, "cutting corners, repeatedly building

unsafe housing. Its unlawful conduct had been frequently reported in the press, but irrespective of whether it was by a national or local paper, and how many times it had been reported, it continued to rely upon fraud and bribery to beat out other solid companies in getting medium to large-scale construction jobs, building one unsafe building after another. It had never lost a lawsuit." The article went on to conclude, "This August, because of the inferior quality of its work, it was removed from bidding eligibility by the construction engineering quality supervision station." But it is doubtful that public anger will subside when punishment of a greedy company such as this one consists of mere loss of construction eligibility when it had harmed the people and the nation by breaking laws and rules.

My invoking the above story is not to acquit the company of any wrongdoing. In fact, I deeply empathize with the anger of its writer. But it seems necessary to analyze how we regard the functions of press supervision. Especially whenever a group of associates talks about this, one aspect always merits discussion. Invariably after such news comes out, several of us would react with indignation, wondering what purpose press supervision actually served. "If we can't even bring this company to justice, then supervision is for nothing."

Is supervision by the press really falling short? Or, in other words, is it only "effective" when a target is sent to justice? When you really look at it, it is not quite so. With the case at hand, five public exposes (including the current one) have wrecked the reputation of the manager. The Justice Ministry has started to look into the matter as a result of press supervision, and certain municipal agencies concerned have begun to react. The function of press supervision is manifested. What kind of justice should be meted out to that manager and his company is for the Ministry of Justice to decide.

As the law cannot take the place of press supervision, neither can press supervision replace the law. If the effectiveness of press supervision can only be measured by how many cases are dealt with by the law, then would not this be an unduly harsh view of the legal agencies?

I do not ignore the fact that, in life, some events are dealt with only because of exposure or criticism by the press, but that is not the function of press supervision only. It is a major function of law. The Justice Ministry is comparable to the press in its concerns, but it has its own work procedures. On this point, as the party may not take the place of law, and neither may it replace authority, then it goes without saying that neither can the press take on the role of law.

In the past, because of faith in party newspapers, some people regarded newspapers as documents and this resulted in some fiascos. Now some people are regarding newspapers as law, so that once a newspaper reports a wrongdoing, they expect it to become a basis for legal action. This would cause press supervision to exceed its purview and lose its scientific nature.

NATIONAL AFFAIRS, POLICY

Proposals for Improving Contract Responsibility System

90OH0041B Beijing JINGJI YU GUANLI YANJIU
[RESEARCH ON ECONOMICS AND
MANAGEMENT] in Chinese No 4, 8 Aug 89 pp 59-61

[Article by Zheng Furui (6774 4395 3843) and Xie Yuanhai (6200 3293 3189): "Some Thoughts on Improving the Contract Responsibility System"]

[Text] Modeled on the rural economic contract responsibility system, the enterprise contract responsibility system is slowly being widely adopted in state and collective enterprises across the nation as a transitional measure in the overall process of reform. This piece of reform has proved useful in hastening the appropriate separation between the ownership and management of an enterprise, reducing and weakening government and administrative intervention in enterprises, ensuring steady annual increases in government revenues, mobilizing the initiative of enterprises and workers, and tapping enterprise potential. Practice proves that while it has not dismantled the old institutional framework and property relations, it remains one of the better forms of management to energize large and medium-sized state enterprises under the present conditions.

In the course of reform, the contract responsibility system has fully demonstrated its unique overwhelming superiority and extensive applicability. At the same time, a number of problems have also been revealed, primarily in the following three areas. First, enterprise behavior tends to be myopic during the contract period. Second, the contractor is responsible for profits only, not losses, during the contract period. Third, the expanded reproduction of the enterprise and the adjustment and optimization of the production and management structure during the contract period is restricted. Some of these problems are due in part to the imperfections of the contract system itself, so we need to improve, augment, and perfect the system, consolidating and making it better all the time. But some of the problems are beyond the control of the contract system and must be resolved through coordinated measures in a targeted way in order to make up for the shortcomings and inadequacies of the contract system.

Generally speaking, that the criterion of productive forces is used to gauge the strengths and weaknesses of the contract responsibility system is proof enough that the system is an indispensable piece of reform under the current conditions, as well as a form of management no other reform could replace at the moment. Accordingly we are not talking about the replacement of the system, but ways of improving and reinforcing it by zeroing in on its existing weaknesses. How can the contract system be improved? Below we offer some superficial opinions in hopes of eliciting more brilliant ideas.

1. The Contract Base Must Be Determined Scientifically and Rationally.

In determining the contract base, the usual practice at present is to take the average during the 2 to 3 years before contracting, factor in market changes, the current business status of the enterprise, and other factors, and decide on a number based on a specific increase rate. Practice shows that this method is fraught with problems. In our opinion, determining the base should go hand in hand with reforms in the tax system. The practice of bundling taxes and profits together for contracting purposes should be replaced by after-tax profits contracting. The amount of taxes payable in full by the enterprise should be calculated according to the actual volume of business done during the accounting period. The targets of enterprise contracting are essentially returns on state assets and the increase in value of fixed assets. The superiority of pegging the contract base to the state assets of the enterprise is that it removes the subjective wilfulness of base negotiations and clearly gives it an economic regularity based on the return on state assets. Right now the fund profit margin varies tremendously from region to region and from industry to industry. In determining the contract base for a specific industry or enterprise; therefore, we must take various factors into consideration in a comprehensive way, distinguish between different regions, industries, and enterprises, and accordingly arrive at a different fund profit rate for each one of them. Specifically, we begin by working out the average local return rate on state assets based on the local budget. The standard base can be arrived at by multiplying the net value of the state assets of the enterprise by the average local return rate on state assets. The contract base is arrived at by adding or subtracting the industry or enterprise class differential influenced by the organic constitution of the enterprise's tangible assets or its intangible assets. This base serves as the standard bottom line, the minimum level. The final adjustment takes place in competitive bidding. A certain common difference is permitted between the adjusted contract base and the standard bottom line, but the adjusted contract base must not be lower than the standard bottom line. That way different kinds of enterprises are put at the same starting point on a level playing field. To us this method of determining the contract base is more scientific and rational, a fair and objective yardstick for assessing the efficiency with which enterprise assets are utilized, thereby curbing the tendency to penalize the superior and protecting the backward. In addition, the treasury may develop a capacity to accumulate funds and investment that is consistent with the budgeted plan by receiving returns on assets.

2. Enterprise Managers Must Be Selected Competitively.

A majority of the current enterprise managers are appointed by the departments in charge above. Since enterprises are ranked administratively, these cadres are classified as state administrative cadres. Not only does

this lead to bargaining, rendering it difficult to determine the contract base rationally, but it also makes the enterprise vulnerable to intervention and obstruction by the government and departments in charge above. Because of the poor caliber of some managers, the wrong decisions are often made, jeopardizing production and management and preventing the fulfillment of contract responsibility. Some cannot handle the relationship between state and enterprise, between employee accumulation and consumption properly, resulting in myopic enterprise behavior. The negative effects of all this on the contract system cannot be overlooked. To perfect the contract system, ways must be found to solve these problems. Practice proves that introducing competitive mechanism, selecting qualified personnel, and improving the caliber of managers is an effective way. The selection of managers through bidding brings to the fore a host of outstanding people who are courageous, insightful, dedicated, and competition-minded, removing them from the evaluation system for state cadres and gradually turning them into entrepreneurs. The social economic status of managers cannot be conferred by government and the department in charge above, but must be determined by the economic performance and social contributions of the enterprises they run. In competitive bidding, uniform standards for productive forces must be used to assess candidates in an all-round way to test mainly their actual ability to manage assets and improve internal enterprise management. The candidates should be analyzed and assessed comprehensively and the best selected. A system to appraise and review qualifications should be set up to prevent incompetent but ambitious people from engaging in speculation in the name of the contract system.

3. The Contract Period Should Be Flexible and the Contents of Contracting Should Be Comprehensive and Specific.

The contract period is usually 3 to 4 years at present. In addition, the evaluation of enterprise operations is simply concerned with the realization of the profit objective instantly, which tends to encourage the operator to focus his attention on achieving the contract objectives. He will wrack his brains to meet the contract tasks so as to show off his performance during the contract period. Enterprise employees too are driven by a strong desire for tangible benefits. Hence the tendency toward short-sighted behavior on the part of enterprises. They show interest in production projects that require substantial investment, have a long turnover, and offer little benefits during the contract period. Nor do they have much interest in intellectual investment. Eager for instant profits, they sacrifice long-term interests for short-term or immediate interests and even resort to an equipment-intensive, high-consumption predatory style of operation, pursuing as much profit as possible and increasing consumption funds. We think this kind of situation has much to do with the short contract period and its "rigidity," which severs the linkages between the development stages of a thing. Therefore we must extend

the contract period properly, at the same time making it flexible in order to overcome this problem. The determination of the contract period should dovetail with the entire national economic development plan and be consistent with the production and business cycle of the enterprise. The contract period should be a flexible indeterminate basic duration, which can be lengthened or shortened by the supervisory board of the enterprise depending on the auditing results. At the end of the basic contract period, the original contractor may remain the contractor, provided he has fulfilled the contract obligations and managed enterprise assets well. He should not be replaced unless another candidate is overwhelmingly superior.

Regarding the substance of the contract responsibility system, not only are new contents needed, but we also need to regularize the quantity in detail. The short-term objectives for the basic contract period should be organically integrated with the medium- and long-term development plan for the enterprise. The main contents of the medium- and long-term development plan of the enterprise, such as the development direction of production and operations, scientific research and new product development, technical transformation, capital construction, direction of investment, increasing the value of fixed assets, and intellectual investment should be the contents of contracting and written into the contracting agreement in order to guide the self-transformation, self-development, and other long-term behavior of the enterprise and better reconcile the long- and short-term interests of the enterprise and its employees.

4. External and Internal Restraints on Enterprises Must Be Binding.

The absence of binding external and internal restraining mechanisms is another key reason why enterprise behavior is erratic. The contract agreement specifies in detail the amount of profits to be realized by the contractor during the contract period and how much should be turned over to the state. In contrast, other targets such as the percentage of equipment that remains in good condition, methods of operation, enterprise development momentum, the increase in value of fixed assets of a production nature, and the distribution, utilization, and management of profits retained by the enterprise are all regarded as supplementary targets and are only described in abstract general terms. Even other specific regulations are mere words on paper and do not serve as evaluation standards. They are nonbinding and cannot restrain the risky, myopic, and even illegal behavior of the enterprise and manager. In our opinion, in order to check the various kinds of erratic behavior on the part of the enterprise, we must not only formulate comprehensive and specific restraining targets suited to the enterprise, but also make such targets binding. In general, the following restraining methods may be taken. First, as required by the "Enterprise Law," we emphasize that the operator make work reports to the enterprise employee meeting regularly. Important operational policy matters should be submitted to the employee meeting for its

consideration in order to curb the operator's subjective wilful behavior. Second, establish a supervisory board to bring about a system of impeachment. The board will mainly consist of the departments in charge of state assets, enterprises, contract management, trade unions, and creditors (banks that have extended credit to enterprises.) Its primary function is to supervise the operator. The supervisory board should evaluate the operator's performance at regular or irregular intervals. When an operator is incompetent (for example, if one bad decision on his part leads to severe monetary losses, or if a succession of bad decisions of his part accumulatively produces the same result) or when he commits serious violations of the law or discipline (including breaches of contract), he would be impeached by the board. Third, in view of the fact that risks and returns differ from enterprise to enterprise from year to year, a risk fund may be set up in the enterprise. When the enterprise loses money, it can draw upon the fund to make up for the losses and ensure that funds are available to be paid to the treasury as returns on state assets. That way the enterprise is prompted to think longterm even when it is dealing with immediate business. Fourth, step up supervising over and management of the distribution and utilization of profits retained by the enterprise. Detailed regulations should be worked out regarding the withdrawal ratio of special funds such as the enterprise development fund and reward fund. Special funds must be used for the specified purpose and no other reason. In particular, the enterprise development fund must be used to finance the replacement or transformation of fixed assets of a production or operational nature or to supplement working funds. It should not be used to pay for facilities or construction of a collective welfare nature.

5. Principal Contracting Body Should Be a Group or Consist of the Whole Personnel.

That the contractor is accountable for profits and not losses is a major shortcoming of the contract system. Even if the contractor has paid 3,500 yuan in risk collateral, this amount is nothing compared to the value of the state assets of the enterprise and the returns on such assets. When losses occur or when the contractor fails to fulfill contract obligations, the enterprise and the operator are not in a position to cover the losses or pay to the state in full the return on state assets. A satisfactory solution to this problem is group contracting or contracting by the whole personnel. These can take one of three forms, as follows: One is contracting by an economic legal person. In this case, an enterprise with substantial economic prowess, insufficient elements of production, and development potential operates as a contractor for other enterprises. The advantages are that we can micro-adjust the structure of the enterprise's existing assets and optimize the allocation of elements of production without affecting the established enterprise subordinate relationship and the channels for the submission of profits. Also, returns on state assets are assured. Second, individuals outside the enterprise are

invited to bid for the contract with the individual's unit or an enterprise with a legal person status and capable of assuring responsibility for losses acting as economic guarantor. The operator is entitled to a specified risk return. Third, secured contracting by the whole personnel of an enterprise. This kind of contracting should be widely adopted. The manager breaks up the contract plan level by level for implementation in every production and operational link and position, so that every employee assumes economic responsibility for his task with his own income and risk security. Not only will this arrangement enhance the sense of responsibility of the worker, strengthen the risk consciousness of all cadres and employees so that the enterprise with its employees constitute a community of common interest where honor as well as losses are shared, but it will also energize the enterprise's ability to assume losses and increase the insurance coefficient of state assets. In following this method, we must be careful to integrate the competitive mechanism between operators with contracting by the whole personnel, mesh the factory director responsibility system with contracting by all personnel, delineate clearly the powers and functions of the employee general meeting and operator, and gradually bring about worker autonomy within the enterprise.

More Enterprises Failing To Meet Contracts

900H0009A Beijing JINGJI CANKAO [ECONOMIC INFORMATION] in Chinese 10 Sep 89 p 1

[Text] According to the State Statistical Bureau, the fulfillment rate of contracts for products distributed under state mandatory plans continued to drop in the first half of this year. Statistics show that of 18 products under unified state distribution, 15 registered a further drop in percentage of state contract fulfilled as compared with the same period last year, 9 products by 5 percent to 11 percent.

The following are contract fulfillment rates for major products.

Rolled Steel: Iron and steel enterprises under unified state control should deliver to the state 9.18 million tons of rolled steel, but actually delivered 7.49 million tons, fulfilling 81.6 percent of contract, a drop by 8.9 percent from the same period last year.

Coal: Contracted to deliver 230.22 million tons to the state, actually delivered 206.59 million tons, fulfilling 89.7 percent of contract, a drop by 2 percent from the same period last year.

Nonferrous Metals: Contracted to deliver to the state 350,000 tons of six kinds of nonferrous metals including copper, aluminum, lead, zinc, aluminum products, and copper products; actually delivered 310,000 tons, fulfilling 88.3 percent of contract, a drop by 6.3 percent from the same period last year.

Pig Iron: Contracted to deliver to the state 2.44 million tons of pig iron, actually delivered 1.84 million tons,

fulfilling 75.1 percent of contract, a drop by 9 percent from the same period last year.

Chemical Products: Of six kinds of chemical products under unified state distribution, the contract fulfillment rate of rubber, 72.3 percent, was the lowest, and that of the rest, including sulphuric acid, nitric acid, caustic soda, soda ash, and tires was all above 92 percent, with sulphuric acid and nitric acid slightly more than the same period last year.

Cement: Contracted to deliver to the state 12.44 million tons, actually delivered 10.15 million tons, fulfilling 81.6 percent of contract, a drop by 7.8 percent from the same period last year.

Timber: Contracted to deliver to the state 9.14 million cubic meters, actually delivered 5.68 million cubic meters, fulfilling only 62.1 percent of contract, a drop by 8.3 percent from the same period last year and the lowest contract fulfillment rate among the 18 unified distribution products.

The State Statistical Bureau has analyzed the causes for the drop in contract fulfillment rates and concluded that transportation was a major factor. The lack of coordination between supply contracts and transportation plans is a major reason for the continuing drop in contract fulfillment rates in the past few years. A more conspicuous example is timber. The Northeast, Inner Mongolia, Sichuan, Yunnan, and Xinjiang forest regions fulfilled only 62.1 percent of their timber contracts for the first half of this year, 8.3 percent lower than the same period last year and more than 3.4 million cubic meters short of their contract obligations. Railways contributed to the shortfall by providing only 70.9 percent of the train space planned for timber, hauling 1.35 million cubic meters less timber than in the same period last year. As of the end of June, China's iron and steel enterprises had 1.23 million tons of finished steel products in storage, equivalent to 10 days' output and twice the normal reserve stock (generally 5 days' output). Of the other products which fell short of contracts, rather large proportions of the shortages were also caused by transportation problems: coal, 59.2 percent; coke and pig iron, 50 percent; soda ash, 60 percent; and caustic soda, 37.6 percent.

Another factor was the rather sharp increase in sales of goods by the enterprises through their own channels. In contrast to the continuously decreasing contract fulfillment rates and increasing delivery shortfalls, sales by the enterprises themselves rose sharply in the first half of this year. For example, rolled steel deliveries fell short of contracts by 1.69 million tons, 71.4 percent more than in the same period last year, but sales by the enterprises themselves increased by 10.2 percent. Sales of other products through the enterprises' own channels also increased: coal, by 67.8 percent; caustic soda, by 15 percent; cement, by 11.2 percent; and timber, by 8.3 percent.

Tight money is also a major factor. Since the beginning of this year, owing to the tightening of the money supply, failures to pay for goods delivered have occurred more often. In the first 6 months of this year, the monthly average of the amount owed the 10 major steelmakers and steel mills in Shanghai by customers for goods already delivered was 240 million yuan more than the highest monthly figure last year. As of the end of June, customs of the Benxi Iron and Steel Co were 210 million yuan behind in payments for goods already delivered.

Moreover, the state failed to guarantee the availability of the essential raw and semifinished materials and energy needed for the production of goods according to the mandatory plans by including all of them in the same mandatory plans. To meet the mandatory production targets, the enterprises had to buy some of the raw and semifinished materials and energy at higher prices, which not only affected the enterprises' economic performance and ability to fulfil contracts, but might even cause them to lose money. For this reason, the enterprises were not very enthusiastic to deliver goods at the lower prices set by the mandatory plans.

The State Statistical Bureau holds that the enterprises must fulfil the state's mandatory product allocation plans as it is essential to maintaining overall economic stability and insuring completion of the key production and construction projects. As present, as the fulfillment rate of contracts for products distributed under unified state plans continues to drop, it is necessary to intensify the implementation of the policy of improving the economic environment and rectifying the economic order and continue to strengthen the macroeconomic regulation and control mechanism. At the same time, the state departments concerned should give preferential treatment to the enterprises engaged in the production of goods for unified state distribution and make sure that they get the needed raw and semifinished materials, energy, transportation, and other production requirements. It is also necessary to strengthen planning guidance and control on sales by the enterprises through their own channels.

Preferential Policy Urged To Aid Large, Midsized Firms

90OH0082A Beijing JINGJI RIBAO in Chinese
19 Oct 89 p 1

[Article by Xie Jinhu (6200 6855 5706): "The State Should Take Practical Measures To Help Large and Midsized Enterprises"]

[Text] Since the beginning of this year, large- and medium-sized enterprises have been plagued by fund, energy, and raw material shortages. Their production has slowed and profitability has dropped notably. Despite repeated pleas from the State Council to all localities that they apply a tilting policy toward those enterprises, the "scales" in many localities has not been tipped in their

favor. Numerous large and medium-sized enterprises are still struggling in an environment of scarcity.

Not long ago this reporter was gathering materials in Shenyang, Anshan, Changchun, Harbin, and other industrial cities and interviewed some municipal leaders and comrades from finance departments to explore this matter. Most comrades believe that the scales has not been tipped in the direction of large and medium-sized enterprises not because the localities are reluctant to do so, but because the state has not come up with practical measures and the localities have limited funds, energy, and raw materials. "The gruel is meager and the monks are many." A number of conflicts is so acute that the localities just dare not tilt in favor of large and medium-sized enterprises.

One conflict is that between ensuring the execution of the plan and ensuring that the people are fed. Most large and medium-sized enterprises are resource-oriented electronic and machine-building concerns. These enterprises, a large part of whose output is in the national plan, bear the heavy responsibility of supporting national economic construction. As such, their survival must be ensured. However, it is small enterprises that produce the bulk of the people's daily necessities. To ensure that the people have enough to eat, it will not do if the operation of these small enterprises are not ensured. Since the beginning of this year, in particular, market stabilization and price control have become top priorities. Localities have come under enormous pressure to accomplish them. Their first political duty is to ensure the production of food and daily industrial goods. Many localities have devoted what limited financial and material resources they have to this area and find themselves unable to attend to large and medium-sized enterprises. Second is the conflict between efficiency and stability. Logically speaking, what limited financial and material resources there are should first be used at the cutting edge; that is, on large and medium-sized enterprises that are efficient. In the interest of social stability and unity, however, there is no alternative but to provide conditions for the survival of enterprises that should be closed or suspended so as to avoid unrest. At present, the number of workers employed by money-losing enterprises is ever-rising, 300,000 in Shenyang and about 200,000 in Harbin. To preserve stability, local administrative officials often force finance and supply agencies to give a transfusion of money and materials to enterprises that have been losing money for years and tottering on the brink of collapse in order to prop them up.

The third conflict is that between national enterprises and local enterprises. Some large enterprises have been put under the jurisdiction of a local government, but the localities are not in a position to take care of these high-consumption concerns since the concomitant market has not come into existence. All three large power plants in Harbin consume vast amounts of steel. Even if the municipality starves each and every one of the 1,000 local enterprises, there is no way the steel requirements of the three large enterprises can be satisfied. In Qi Qi

Ha Er, the No 1 Heavy-Duty Machine Plant gobbled up 12 percent of all the loans allocated by the state to the city in the first half of this year alone. Even then the plant cries out for more. On the other hand, many local township and town enterprises have become the primary receptacle of displaced rural workers and an important pillar of the rural economy. Local leaders worry that curbing township and town enterprises may lead to a decline in agricultural output and touch off another round of "great movement of a million laborers on public projects."

Caught in these "dilemmas," local leaders have no choice but to adopt a "water-finds-its-own-level" approach, distributing their limited funds, energy, and raw materials to all enterprises, like scattering pepper over a large surface. As a result, nobody starves, but nobody is really well fed either.

Many comrades argue that the state should do more than exhort if localities are to tilt the scales in favor of large and medium-sized enterprises. It must come up with practical, feasible, and concrete policies and measures suited to the current "revenue-separation" financial system and the fact that all kinds of markets have not matured so that the localities can look out for local interests and practical difficulties as well, even as they tilt toward the large and medium-sized enterprises. The state should work out a tilting policy in such areas as investment, taxes, credit, and prices and carry it out using economic, administrative, and legal methods. To meet the current pressing needs, the state should set aside an appropriate amount of financial and material resources and directly spend them on a number of large and medium-sized enterprises that play a pivotal role in the national economy.

Customs Reports Large Increase in Smuggling Cases

OW1611141589 Beijing XINHUA in English
0739 GMT 16 Nov 89

[Text] Beijing, November 16 (XINHUA)—Since August, the customs authorities have foiled 2,900 cases of smuggling in the country, which was 54 percent higher than for the same period last year, though the authorities have reinforced customs inspection.

The confiscated contraband was worth 176 million yuan, up 4.6 times that of the same period last year, today's CHINA DAILY quoted an official from the Customs General Administration (CGA).

Authoritative sources from the CGA's Investigation Department said that during the third quarter of this year the number of major smuggling cases, each involving 1 million yuan or more, had gone up 2.4 times compared with the same period last year.

Smuggling cases involving more than 10 million yuan foiled by the GHA during the third quarter were 7 times higher than in the same period of 1988, according to the sources.

Secondly, some companies were found to have smuggled some spare parts instead of complete products into the country without going through necessary procedures.

Two such cases involving 107 million yuan, with 6 million yuan of tax evaded, have been investigated by local customs authorities.

Thirdly, smuggling at sea, mainly of cigarettes and electric appliances, is still running rampant.

The number of such cases increased 48 percent while the value of confiscated contraband 2.4 times higher than the same period last year.

Customs authorities foiled several cases of "relay smuggling" at sea, which were conducted at night with fishing boats ferrying contraband from foreign cargo ships mooring on the high seas.

In addition, smuggling at sea is now moving from the south to the north along the country's east coast, CGA officials said.

Meanwhile, cases of smuggled cultural relics were also up 29 percent during the past 3 months compared with the corresponding period last year, and smuggling of drugs, particularly, heroin, has reportedly increased markedly.

PROVINCIAL

Guangdong Official Reports on Economic Situation

HK0811113189 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 7 Nov 89

[Text] At a tea party marking the 40th anniversary of the establishment of the provincial Xinhua bookstore this morning, Yu Fei, a member of the provincial party committee Standing Committee and executive vice governor of the provincial people's government, gave a briefing on this year's economic situation in Guangdong to people of all circles.

Vice Governor Yu Fei said with confidence that the economic situation of this year in Guangdong was good. The provincial revenue of this year exceeded 1.2 billion yuan and its economic growth rate came out in front of the whole country. Meanwhile, market prices in Guangdong this year were maintained at a stable level and they dropped an average rate of 7 percent as compared with the same period of last year. The province's agricultural production is expected to see an increase of 2.5 billion kg of paddy this year; apart from 7 billion kg of grain which have been put into storage, an additional amount of 2.5 billion kg of grain is to be stored. It can be surely said, Yu Fei pointed out, that between the autumn harvest of this year and the summer harvest of next year, no grain

should be shipped to Guangdong from other provinces. The production situation of sugarcane, vegetables and fruits in the whole province this year is also gratifying. Meanwhile, the province is expected to deliver 700,000 tons of sugar to the state.

Vice Governor Yu Fei continued: With the view of dividing one into two, the economic situation in Guangdong is really faced with some problems, such as a serious money shortage in some production departments and the difficult operation of some enterprises but as long as we can unswervingly improve the economic environment and rectify the economic order, all difficulties can be overcome and our future is bright.

Officials Meet To Study Henan Price Trends

HK1011051689 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 7 Nov 89

[Excerpts] At a meeting of mayors and prefectural administrative commissioners yesterday, Vice Governor Qin Kcai talked about the price trend in our province and urged all local governments to do work well in controlling price increases during the remaining 2 months of the year in an effort to start well and end well.

Thanks to the efforts of all prefectures and cities and of the departments concerned, price increases in September were conspicuously lower than August. Market prices throughout the province in September rose on an average of 11.5 percent as compared with the same period of last year but they dropped by 5.4 percent over August this year, and they came down by 17.5 percent over March, a month of the highest price hikes this year in our province. [passage omitted]

The price trend in our province is developing in a favorable direction. This is the outcome of implementing the policy of improving the economic environment and rectifying the economic order and of readjusting and regulating prices in a comprehensive way in our province. However, the current price trend in our province still faces the following problems. First, as a result of the sharp price increases throughout the province in the first half of the year, price hikes are still high on an average annual rate though there was a significant drop in the second half of the year. From January to September the average growth rate of prices in the province was 23.6 percent, 1.6 percent higher than the national average rate, ranking ninth in the country. Second, the work of price control developed unevenly in different areas. Price hikes in the rural areas are higher than cities and towns, those in county towns higher than small cities, and those in small cities are higher than large cities. [passage omitted]

Vice Governor Qin Kcai also pointed out at the meeting: We did much in controlling price increases in the first 10 months of the year and achieved marked results. To do well from start to finish, in the remaining 2 months of the year we must strive to keep the year's

average price increases of our province lower than last year and the national average of this year.

Hubei Economy Shows Improvement

HK1311050689 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 9 Nov 89

[Excerpts] The scale of investment in fixed assets in our province was significantly reduced and market prices continued to come down in the first 9 months of the year.

From January to September, enterprises owned by the whole people made an investment of 3.49 billion yuan in their fixed assets, a drop of 26.4 percent over the same period of the previous year; there were 325 newly built projects, 990 less than the same period of last year. The investment structure was further readjusted and investment in projects for energy and raw materials continued to grow. Investment in local coal mines increased by 98.87 percent, and petroleum by 289 percent. [passage omitted]

To ensure market supplies, governments at all different levels have worked hard to control price hikes. Since May market prices have dropped month by month. The province's retail price index of commodities in September rose 10.8 percent as compared with the same month of last year, but it showed a drop of 14.2 percent if compared with the 25 percent rise in April.

The province's revenue has picked up instead of the decline in the beginning of the year. The financial revenues from January to September amounted to 5.98 billion yuan, an increase of 5.01 percent over the same period of last year.

Enterprise Mergers Increase in Wuhan

OW2811104889 Beijing XINHUA in English 0848 GMT 28 Nov 89

[Text] Wuhan, November 28 (XINHUA)—A total of 151 enterprises in central China's biggest industrial city of Wuhan, capital of Hubei Province, have been merged in the past 4 years, according to a local official.

In the period 1986 - 1987 only 32 enterprises were merged in Wuhan.

Among the 151 enterprises, 143 were in the red, but 133 of the money-losing enterprises have made up their deficits since their merger, according to the official.

The Wuhan Diesel Engine Company, merged with a big state-owned company last year, has made a profit of over 12 million yuan (about \$2.7 million) so far this year.

Profitable enterprises are encouraged to take over money-losing firms, said Mayor of Wuhan Zhao Baojiang in a recent interview.

Shaanxi Holds Conference on Construction Market

HK2211090989 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 21 Nov 89

[Excerpts] During a provincial telephone conference on consolidating the construction market that was held last night, Vice Governor (Liu Chunmao) demanded: All places throughout the province must further strengthen leadership over the consolidation of the construction market and penetratingly mobilize the masses to really do the work well.

The work of consolidating the construction market in our province has gradually commenced since February this year and achievements have now been scored. According to incomplete statistics, 317 cases of offering and receiving bribes, receiving sales commissions, subcontracting, reselling materials, architecture without a permit, construction in violation of a permit, and [words indistinct] architecture and contract, had been discovered; and 313 construction teams of some 92,000 people had been disbanded by October. However, the work falls far short of the expectations of the Ministry of Construction and provincial government.

At last night's conference, Vice Governor (Liu Chunmao) demanded that, in future consolidation work, our whole province must further enhance all leaders' understanding of the consolidation of the construction market and adopt more effective measures to grasp this work firmly and well. They must also place emphasis on the strict investigation of unlawful operation, especially unlawful operation since 1987. They must resolutely investigate and deal with all involved, whatever unit it may be or whoever it may be, in the course of consolidation. Moreover, it is necessary to straighten out the construction teams and to enliven large and medium-sized enterprises. At present, when the construction force is bigger than the construction task, we must, through streamlining and straightening out the construction teams, create better external conditions for them. At the same time, we must be determined to abolish a number of collective companies under various names, to reduce the number of construction teams from other provinces, to consolidate township and town construction teams, to cut down the number of state-owned enterprises' workers recruited from other places and employed temporarily. At the conclusion of the consolidation work, we must seriously check and accept the construction work and not hastily wind up the matter.

INDUSTRY

Qinghai Promotes Industrial Production

HK1511050689 Xining Qinghai Provincial Service in Mandarin 2300 GMT 14 Nov 89

[Text] The gross industrial output value of our province from January to October this year was 2,576 million yuan, an increase of 6.1 percent over the same period last

year. Of it, the output value of heavy industry was 1,696 million yuan, an increase of 10.7 percent; and of light industry 880 million yuan, a reduction of 1.7 percent. Of the gross industrial output value, the output value of industrial enterprises with ownership by the whole people was 2,186 million yuan, an increase of 5.2 percent over the corresponding period last year; and of the industrial enterprises with collective ownership 388 million yuan, an increase of 11.6 percent. The industrial output value listed in the scope examined by the province as planned, increased steadily and was 2,561 million yuan from January to October, accounting for 82.2 percent of the quota for the whole year and recording an increase of 9.7 percent over the same period last year.

CONSTRUCTION

Further Cuts Sought in Capital Construction

90OH0083A Beijing JINGJI RIBAO in Chinese
10 Oct 89 p 1

[Article by Yang Guomin (2799 0948 3046): "Reduction of Capital Construction 80 Billion Yuan Short of Target"]

[Text] Eight billion and ninety billion. These are not mere numbers. Behind them lies an important fact of economic life today. According to statistics from the State Statistical Bureau, 147.5 billion yuan worth of fixed assets investment were completed between January and June this year, a drop of 8.06 billion yuan, or 5.2 percent, from the 155.6 billion yuan for the same period last year. Since this reduction represents less than 10 percent of the target for the entire year, which is to cut capital construction by 90 billion yuan, it means that every way must be found to trim capital construction by almost 82 billion yuan in the second half of this year.

Despite the establishment from top to bottom of leading groups headed by the premier, provincial governors, chairmen of the autonomous regions, and mayors, despite the four trips to the provinces by the State Council's project rectification and review group, the drive to reduce capital construction has not produced the desired results. Why? There are various reasons:

—Reducing the scale of investment impinges on the interest mechanisms of localities and enterprises. Not only does it impact revenues, the rate of industrial growth, and employment, but it also affects the performance of leaders. Hence the lack of resolve on the part of local and enterprise leaders to scrap a project. This is the underlying reason, which explains the slack, the good-enough mentality, the keep-up-with-the-Joneses attitude, and the tendency to emphasize one's uniqueness that have appeared in the process of project review. Besides, as a result of the nationwide political disturbances in the second quarter, the drive to suspend and shelve projects has slackened off. This is another objective reason for the lack of outstanding results in the first half of this year.

—That there is a multitude of conflicting government policies means that people at the lower levels, not knowing what to do, have to take a wait-and-see attitude. The central government has its own policies. So do the localities. Once it reaches the lower levels, a document from above is much watered down. Macroeconomic regulatory policies are set aside and even distorted. When they move around the country, most leading comrades encourage the localities to initiate projects; few would urge them to cut back. As for people who come to Beijing to discuss business, most of them are also project-oriented. Few talk about reducing capital construction. Some localities go so far as to ignore central policies altogether and give the green light to illegal behavior. Instead of shrinking, therefore, investments have actually increased substantially. Moreover, many of the projects completed are high-consumption, low-efficiency, low-standard processing plants that duplicate existing operations or compete with state enterprises for raw materials and energy.

—After the examination-and-approval power was delegated to successive levels of government, all kinds of special policies have proliferated. Hence the chaos in investment management. The central government has delegated the examination-and-approval power to provinces, which in turn have delegated such power to prefectures, municipalities, and counties. Some counties are authorized to examine and approve projects capitalized at less than 30 million yuan. Other provinces and municipalities are authorized to approve projects worth less than 200 million yuan. There are just too many units authorized to examine and approve projects, often hundreds in one province alone. In addition, some localities, central municipalities, and large enterprises have their own special policies, which share one common feature, namely that all of them are authorized to make investment decisions flexibly and examine and approve projects on their own, making it that much more difficult to hold down capital construction.

—Funding channels are hard to control and various kinds of funds are diverted to finance capital construction. The tight-money policy is often violated because of pressure from local administrative officials. Fund-raising and share-holding methods of every description can make a project out of nothing and breathe life into an otherwise dead project. Contrary to regulations, working funds, agricultural procurement funds, and general repair funds are being spent as investment in fixed assets. Construction taxes are not paid to the government as required. The bonds of key enterprise are not bought as they should. Instead funds are being spent to expand the scale of investment. Nothing truly drastic is being done to reduce capital construction.

—The starting point for fixed assets investment is low for both rural collectives and individuals in towns and villages. Right now there are no effective control mechanisms. This is another important reason why

the mission to reduce capital construction has not been accomplished in the first half of the year. For statistical purposes, the current starting point for fixed assets investment for individuals is 30 yuan worth of means of production, and 200 yuan for collectives, a far cry from the 50,000 yuan required for enterprises owned by the whole people. This has skewed the accuracy of the data collected. In addition, investments by collectives and individuals now account for a growing share of fixed assets investments of society as a whole, thereby affecting the comparability of statistics. According to statistics, individual investments amounted to 59.2 billion yuan in the first half of this year, an increase of 4.1 billion yuan compared to the same period a year ago.

Certainly reducing fixed assets investments is an extremely complex and arduous task. Even the 8.06 billion reduction in the first half of 1989 was achieved only after a massive effort. Compared to the 20 to 30 percent growth in years past, the 8.06 billion yuan cut must be described as a gratifying beginning. Moreover, our drive to control new projects has been remarkably successful. There were 13,385 fewer new project starts in the first half of this year compared to the same period last year, a drop of 71 percent. The amount of new investments declined 74 percent compared to the corresponding period last year. This has laid a sound foundation for controlling the scale of investment and adjusting the investment structure in the future.

Be that as it may, there is a huge gap between 8 billion yuan and 90 billion yuan. If local leaders still do not get really serious about cutting capital construction and draw up effective measures to achieve it, clearly it would be impossible to accomplish this year's target. Furthermore, if we do not hammer out appropriate, effective, and feasible policies aimed specifically at tackling the problems and factors impeding the reduction effort uncovered in the project rectification and review, it would also be impossible to ensure that our effort to control the scale of investment and adjust investment structure will be on a sound footing.

Bank To Issue Loans for Key Capital Construction
OW2011142089 Beijing XINHUA in English
1048 GMT 20 Nov 89

[Text] Beijing, November 20 (XINHUA)—The People's Construction Bank of China will issue another 13 billion yuan this year to assist state key capital construction projects, the FINANCIAL NEWS reported today.

About 80 percent of the nine billion yuan loans for investment in fixed assets by the bank will be used in construction of new transport facilities and energy and raw material projects, according to a recent bank decision.

Qinghai Cuts Construction Investment

HK1711101089 Xining Qinghai Provincial Service in Mandarin 2300 GMT 16 Nov 89

[Text] The volume of investment in capital construction in our province this year has been successfully brought under control.

According to recent statistics, from January to October, our province's investment in capital construction amounted to 845.44 million yuan, a drop of 25.6 percent over the same period last year. Of this, investment in central projects was over 606 million yuan and investment in local projects came to 238 million yuan, cutting 34 percent compared to the same period last year.

The large curtailment of investment this year has yielded some results in controlling the increasing demand for investment.

FOREIGN TRADE, INVESTMENT

Serious Focus on Debt Problem Suggested

90OH0065A Taiyuan JINGJI WENTI [ECONOMIC PROBLEMS] in Chinese No 8, 25 Aug 89 pp 20-22

[Article by Liu Zhentao (0491 7201 3447) and Zuo Chunwen (1563 2504 2429): "China's Debt Problem Demands Serious Attention"]

[Text] Upon entering the 1990's, China will encounter two consecutive peak periods of debt repayments, one for the repayment of domestic debts and one for the repayment of foreign debts. The peak for repayment of domestic debts, we figure, will come in 1990, and for foreign debts in 1992, and each will last a few years. As the two peak periods follow one another so closely, they will allow no breathing space in between. What is most disturbing is that both periods will occur so closely after China's economy having suffered the onslaught of its currency inflation at the end of the 1980's, and for these periods to arrive in this way is indeed alarming. Some have figured out that the peak of domestic debt repayments, topped by foreign debt repayments, will add up to a total of capital and interest payments that will take up about one-half of the new increases in national income during the said period. So grim is the debt situation that it demands serious attention.

China has in the past experienced problems with domestic debts during the history of its economic development, and there are historical precedents that can serve us as reference. Even in the worst case, domestic debts are after all internal debts of the country, and if the country gets into difficulties and these difficulties are clearly explained to the people, the people will show understanding. Domestic debts will not be a major topic of this article. On the question of foreign debts, or rather the problem of repaying foreign debts, theorists hold different views. Some start from the impact on the scope of present indebtedness by debt cycles coming to their

close and assert that the peak periods of debt repayments will pose no problems. We shall not engage here in a theoretical argument on what the right conclusion might be, but will merely call to mind the fact that China began to utilize foreign capital in 1978, so that China itself has had no experience or precedents to go by, in matters of borrowing, repaying, and managing debts, and that China is now in the process of groping for a suitable way. Learning from the experiences and lessons presented by other debtor nations of the world will therefore be enlightening for an analysis of China's debt problems.

1. Enlightenment from foreign examples: Indebtedness of the Latin American countries and their related economic policies.

Statistics for 44 developing countries up to the end of September of 1987 show the balance of foreign debts to be \$664.9 billion, of which \$399.4 billion, i.e. 60 percent, are those of Latin American countries, mainly Brazil, Mexico, Argentina, and Venezuela. Among these, Brazil's foreign debts amount to \$110.7 billion, which is 38.6 percent of its GNP. As to the structural composition of these debts, the largest proportion are commercial loans; 70 percent of the total sum was borrowed by the said four countries from commercial banks.

Of course, the use of foreign capital has brought periods of economic prosperity of varying degrees to the Latin American countries. However, since the start of the 1980's, the economies of the Latin American countries were beset, to varying degrees, with the troubles and tribulations of debt crises, and very conspicuously so is the example of Brazil. Why is it that certain debtor countries ended up in these debt crises and in domestic economic difficulties from which they cannot extricate themselves? Involved here are not only direct causes related to the debts themselves, but also problems of domestic economic policies relevant to the debt situation.

The immediate major cause for Brazil's debt crisis of the 1980's was a rapid accumulation of debts that was unable to effect a corresponding increase in exports. Brazil's foreign debts during the period from 1968 to 1978 increased at an average annual rate of 28 percent. Although foreign debts during the following 5 years, beginning in 1979, did not increase at the same rapid rate as before, the balance of all foreign debts reached \$93.56 billion, making it the most indebted nation in the world. As foreign debts increased, exports could not be increased correspondingly during the same period of time; this caused the rate of indebtedness to remain at its very high level.

2. The problem of controlling currency inflation: There are two crucial problems in the control of inflation: One is maintaining a balanced budget in public finances under conditions of indebtedness, and the other is maintaining stability of commodity prices. The normal procedure is to adjust commodity prices and to achieve a more rational level of prices for the major raw materials.

Their prices must at least be fixed at a level that will enable their normal reproduction. In the case of Brazil, citing one example will explain why it failed in its policy. To ensure the requirements of the petroleum industry, the state generously subsidized oil imports. The result was that a small minority of excessive users of petroleum reaped benefits, while state finances sank into ever-increasing difficulties. In 1986, Brazil's public finances were 18 percent in the red, of which 10 percent were due to the increase in energy prices and the granting of subsidies. This financial stringency in turn further aggravated the debt crisis, and thereby made it impossible to control inflation. Brazil's rate of inflation during 1987 reached as high as 217.8 percent.

3. The problem of adjusting the exchange rate: At the time when the international economic relations underwent tremendous changes, the debtor countries made timely adjustments in their exchange rates to ensure that their export goods would remain competitive, and this too showed itself to be extremely important toward avoiding debt crises. Among the Latin American countries it was Mexico that proved this point. Too high an exchange rate for the peso in relation to the U.S. dollar during the period from 1977 to 1981 created unfavorable conditions for exports, while imports during the said period rose steeply, upsetting the international balance of payments and bringing on a time a virtual debt crisis. After 1981, Mexico adopted a policy of import restrictions that initially improved the international balance of payments and prevented a further worsening of the debt crisis. However, Brazil was unable to take similar action, and its debt crisis assumed increasingly serious proportions.

Main Problems in China's Indebtedness

The causes of the Brazilian debt crisis can teach us a very useful lesson. A debt crisis is not only brought about purely by the fact of indebtedness, but has a variety of reasons. There are the changes in international economic relations as well as in the domestic economic policies that have a bearing on a country's indebtedness. In a study and analysis of China's debt problem, we must therefore adopt a method that is not unilaterally static, but overall dynamic. When we study, for instance, the scope of indebtedness, and whether we shall have the capability of paying when debts become due at the peak period of debt repayments, we must not compute this capability merely as limited to the government's burden of repaying capital and interest, but must give full consideration equally to the capital and interest due from local departments or from local governments and enterprises. The reason is very simple: Debts are a country-to-country relationship, and since China is a socialist country with a public ownership system, in the case of any loan, regardless of under what name it was contracted, or who received it, or who is to pay it back, the moment a debt cannot be paid back, final responsibility will of course rest with the state. Computing matters in this way, the rate at which repayment of debts will be demanded of China at the peak period of these

debts falling due, will come close to the upper ceiling that is internationally recognized as safe (a 15 to 20 percent debt repayment rate is internationally recognized as safe). Analyzing the debt problem from a comprehensive angle, the prospects for China's debts are not at all without problems, and indeed give cause for anxiety, the main elements for such anxiety being:

1. Strained conditions in the domestic economy just before the advent of the peak period of debt repayments. As said earlier, the peak periods for the repayment of the two categories of debts will closely follow one after the other, and just before the advent of the peak period for repayment of domestic debts, we shall have large-scale economic adjustments on the heels of our present currency inflation, or in other words, it will be the time of "improving the economic environment and rectifying the economic order." Since the most important measures in the movement for "improvement and rectification" are retrenchments, i.e., cutting back on investments and consumption, and retrenchments are bound to entail sacrificing a certain measure of economic growth, it is more than likely at this time that the retrenchments will have an adverse effect on the capability of local departments and enterprises to repay their debts. Moreover, this effect will have uneven consequences for different regions, departments, and enterprises, but will in the end add to the state's burden by having to repay these debts. At the same time, the reform of the foreign trade system will reduce the state's share of foreign exchange revenue, which will possibly aggravate the problem further.

2. The irrational structural composition of the indebtedness and too rapid an accumulation of debts. The irrational structural composition of the indebtedness is conspicuously evident in the excessive proportion of commercial loans. China's balance of foreign debts in 1986 and 1987 was \$21.58 and \$30.2 billion, respectively. The proportions of commercial loans were \$14.3 and \$21.44 billion, or 66 and 70.9 percent, respectively. The average ratio of commercial loans in the foreign indebtedness of all debtor countries throughout the world is 52 percent. The debt crises in several of the developing countries was more often than not brought about by commercial loans. Looking at some of the world's countries that experienced debt crises in 1984, we see that the proportions of commercial loans in Pakistan, Mexico, and Argentina were 76, 85, and 82 percent, respectively, and China apparently is now very close to these figures. Then looking again at the rate of debt accumulation, we see that this was 36.6 percent in 1986 and 39.9 percent in 1987, while the increase of commercial loans among these was even faster, namely 50 percent from 1986 to 1987. If we say that the rather rapid rate of China's taking on and utilizing foreign loans can be tolerated because China is at the initial stage of the game, we cannot but draw attention to the following two problems relating to the rate of debt accumulation: 1) Rapidly increasing exports follow on periods of stagnation. We have to say that loans of an

initial period of exports must also accord with the conditions of that initial period, that would be a state of equivalence. It would therefore seem necessary to have the two growth rates basically in a suitable relation to each other. China's exports increased during 1986 and 1987 at the rate of 13.1 and 27.5 percent, respectively; there is a large difference indeed between the two figures. Foreign loans will eventually have to be paid back in foreign exchange, and the major way to acquire foreign exchange is by exports that will earn foreign exchange. If exports cannot now be further increased, it would mean that increases of foreign debts will have to be appropriately restricted. 2) Shortage of supplementary domestic capital. The use of foreign capital has to be supplemented by domestic capital; the two should be normally at a 1:1 ratio. However, China is presently short of domestic capital, and the supply of capital is furthermore uneven. Many localities are not averse to using commercial loans in place of RMB to supplement local capital shortages. This method can only aggravate the irrational character of foreign debts and is also detrimental to the overall situation in the long run. If local capital is insufficient, it may still be possible to provide a safe solution by a method of readjusting internal capital. If there is an overall national shortage of internal capital, the only way would be to restrict the rate of borrowing, otherwise foreign capital will be used as domestic capital, and in that case what would be the sense in getting into debt with foreign countries.

3. Decentralization of authority to examine and approve foreign loans, excessive number of "windows" for foreign borrowing, multiplicity of those involved in dealings with foreign parties, and a multiplicity of guarantors of foreign loans. According to statistics, there are more than 70 establishments that are approved by the relevant authorities to borrow abroad, and those who act as guarantors of loans are even more numerous, far in excess of the nine units that the State Council had approved for direct relations with foreign countries. The "windows" for foreign borrowing are excessively numerous; all simultaneously entering the international loan market. Because of the different ratings of capital, the cost of some loans will be raised. Moreover, China has been using foreign capital for only a short time and therefore lacks experiences and well-qualified personnel, and its information on the international loan market is insufficient. All these factors have made China pay a very high price for experiences in the international money market, and an even higher price from some localities and enterprises for their taking up direct relations with foreign parties. A few years ago, a certain province issued bonds in the Tokyo market, and because of insufficient preparations for the project, the issuing unit changed Japanese yen to U.S. dollars before depositing the receipts in a Hong Kong bank. As a result, not only were losses incurred due to an interest rate differential, but also due to the appreciation of the Japanese yen and the depreciation of the U.S. dollar. A loss of 20 percent was incurred during only a few months merely because of the change in exchange rates. An even more

serious problem is that because of a multiple borrowers making contacts with foreign parties and the decentralization of the authority to examine and approve foreign loans, it is impossible to exercise an effective macroeconomic control over foreign borrowing. Loss of complete control over the scope of foreign borrowing are occurring all the time, and this brings about a debt crisis. Viewed from this angle, the precondition for controlling the scope of foreign debts is a restriction of authority for examining and approving foreign loans and a strict control of all "windows" for foreign borrowing.

4. The seriousness of shortsighted borrowing of foreign capital by those who bear neither risks nor responsibilities. The problem in this respect is partly the great weakness of China's foreign exchange control system in that it knows no self-restraint and self-regulation, and in addition, a significant flaw is China's present irrational political system which allows this shortsighted actions. As is generally known, the term of office of senior administrative officials and plant directors is generally 3 to 5 years, while the repayment of commercial loans with their harsh terms is from 2 to 10 years. Under these conditions, namely borrowing foreign capital irresponsibly and authority being subject to evaluation and approval, administrative personnel and plant directors are apt to make such choices as to borrow foreign capital during their tenure and leave the repayment for their successors. It is indeed an easy thing for these people to borrow and not care about repayment. The reasons for all this to happen is because of the present system that encourages the regions and departments (groups) to vie with each other in expanding output value and increasing the volume of foreign borrowing. The consequence of this shortsighted use of foreign borrowing is, of course, the prime reason of all the grievous losses due to the inefficient use of foreign loans.

Strategies Proposed to Attract Japanese Investment

90OH0029A Beijing GUOJI MAOYI WENTI
[INTERNATIONAL TRADE JOURNAL] in Chinese
No 7-8, 30 Aug 89 pp 12-14

[Article by Zhang Dong (1728 0392): "New Characteristics of Japan's Overseas Investment and Several Issues Deserving China's Attention in Absorbing Japanese Investment"]

[Excerpt] [Passage omitted] Suggestions on Absorbing Japan's Foreign Investment

New changes in Japan's foreign investment have made a great impact on the development of the Japanese and the international economies. People predict that in the next few decades, Japan's advantage in competition will become increasingly obvious and its role increasingly prominent in the world economy, especially in the sphere of international banking. China is Japan's neighbor. In recent years, trade and financial activities have been very active between China and Japan. This

kind of economic contact will develop still further. For this, we should pay attention to studying these new trends in Japan's foreign investment, adopt countermeasures in a timely manner, and help China develop the export-oriented economy and effectively utilize foreign capital.

But judged from China's current economic development, many unfavorable factors are preventing Japan from investing more in China.

First of all, China's investment environment is imperfect. Japan once compared the investment environment of China with that of newly industrialized countries and areas in Asia and concluded that the latter is more satisfactory with regard to infrastructure, raw material supply, and quality labor. Besides, the newly industrialized countries and areas of Asia have open money markets, and joint ventures in these countries and areas may help to get credit funds from local banks. These countries and areas also have better conditions than China regarding the recovery of profits, the stability of policies, and the perfection of the legal system. China's past advantages, such as labor and land prices, cannot be easily developed due to the restriction of various factors. Even if these conditions were equal, Japanese enterprises would rather choose "in the capitalist circle."

Second, China's structure of utilizing foreign capital has not adjusted to the changes made in Japan's direct foreign investment structure. For instance, after 1982, Japan's foreign mining investment declined sharply while its investment in commerce, banking, insurance, and real estate developed rapidly. But China did not have the ability to absorb large amounts of such industrial capital. In addition, light and textile industries are most likely to get Japanese funds in China, but the largest amount of direct investment Japan has ever made in light and textile industries was in the 1950's. China seems to have missed the opportunity.

Third, there are many new and old problems concerning Japanese investment in China. For instance, infrastructure, such as power, communications, and transportation, lags behind; the currency system is dual-track or even triple-track (renminbi vs foreign exchange certificates, official prices, and actual exchange rates); the supply of raw materials is unstable; procedures are complicated; the demand for foreign exchange balance is too strict; the billing system is not clear; the quality of labor is relatively low; the domestic policy is not very stable; joint ventures are required to balance their own foreign exchange payment; and the legal system to protect foreign-funded enterprises is incomplete.

In order to seize the opportunity to absorb more Japanese investment, we should do a good job in the following few areas:

1. Improve investment environment as soon as possible. In addition to enhancing necessary infrastructure, we should consider not only protecting Chinese national

industries and domestic markets, but also foreign investors' enthusiasm when we formulate policies. We should properly relax restrictions on funds and market, establish and perfect as soon as possible various legal and other systems, speed up structural reform, help enterprises increase labor productivity, and create a good "intangible environment" to eliminate the worries that foreign businessmen currently have about investing in China.

2. Adopt a policy to support important projects and deal with individual cases differently to better utilize foreign capital. For instance, regarding production projects urgently needed for development in China having technology that is more advanced in Japan, such as automobiles, electronics, machinery, and machine-building industries, we should give priority to improving their investment environment and applying economic preferential treatment and administrative support when necessary. Regarding projects that need to be developed in China but cannot be imported in large numbers due to the absence of conditions, such as banking, insurance, real estate, and commercial fields, we should adopt a policy to properly relax restrictions and gradually improve investment environment. As for those nonproductive and nonadvanced projects, such as service industry, we should limit them strictly.

3. Pay attention to developing technology-intensive industries in absorbing Japanese investment. Currently, the foreign technology transfer of Japan focuses mainly on labor-intensive industries which are also the base of Chinese import. Internationally, the proportion of labor cost in overall production cost is declining continuously. In developed countries, the labor cost of most industries ranges between 8 and 15 percent. As production develops, this figure will decline further. This makes the wage level appear to be less and less important in competition. The fact that Japanese auto industry built 90 percent of overseas auto plants in North America, where industrial technology is highly developed as opposed to Asia where labor is cheap, is a very good explanation of this point. If we invest too much capital in labor-intensive industries, the technological level of Chinese industries will remain low and we will risk the danger of being eliminated in the future. Therefore, when we absorb foreign investment, we should give attention to absorbing and developing technology-intensive enterprises. In order to do this, we should develop a policy in which we are able to distinguish between technologically advanced import items and general import items, and not practice "uniformity." We should formulate preferential policies to encourage foreign businessmen to invest in technology-intensive industries in China, strive to build a group of technology-intensive backbone enterprises in the next few years, and gradually increase their proportion to lay a solid foundation for the steady and sustained development of the export-oriented economy in the future.

4. Establish an intelligence and information network to supply necessary economic information in a timely

manner in order to reduce blindness in absorbing Japanese investment and technology and to make correct judgement and policy decisions. In this regard, China's economic intelligence and information work lags far behind the demand of China's coastal strategy; therefore, we should quickly strengthen intelligence and information work.

5. Strengthen work on small and medium-sized Japanese enterprises. To suit the trend of "internationalization" of Japanese enterprises, more and more small medium-sized Japanese enterprises are prepared to develop overseas. Their investment focuses on Asia. According to a survey of Osaka Prefecture, among the small medium-sized enterprises of the Osaka area that wish to invest overseas, 24 percent are prepared to invest in North America, 64 percent wish to invest in Asia, and most of them are interested in China. Regarding the investment issue, the main problems of these small medium-sized enterprises are a lack of experience in international operation, inadequate understanding of overseas situations, especially the situation in China, and excessive worries. We should do a good job in the work on small and medium-sized enterprises and vigorously develop technological cooperation with the Japanese while paying attention to cooperating with large enterprises in Japan in order to absorb more investment.

Government Takes Measures To Control Tungsten Prices

*OW2811051389 Beijing XINHUA in English
0248 GMT 28 Nov 89*

[Text] Beijing, November 28 (XINHUA)—China is taking new measures to stabilize world tungsten prices, CHINA DAILY reported today.

Being the largest tungsten producer and exporter in the world, China plays an important role in determining the world market of tungsten and a slight change in its export policy may affect not only world market supply but also prices, the paper said.

At present, the Chinese Government is planning to authorize the China National Nonferrous Metals Import and Export Corporation and another two corporations to monopolize exports of ferro-tungsten and tungsten acid, the paper said.

The Government will also issue export licences to prevent the two products being smuggled out of the country, the paper said.

China took these measures because the price of ferro-tungsten has dropped to \$5 a kilogram on world markets, compared with \$5.6 a year ago, the paper said.

China's exports of tungsten ore and products account for half of the total world sales, the paper revealed.

New Economic Laws Prepared, Joint Venture Law Revised

*OW2611100489 Beijing XINHUA in English
0923 GMT 26 Nov 89*

[Text] Beijing, November 26 (XINHUA)—New economic laws are being prepared to strengthen China's ties with foreign countries, according to today's CHINA DAILY.

Chinese legislators are working on a trade law, maritime law, income tax law for foreign-funded and wholly foreign-owned firms and a law on the control of foreign exchange.

The drafts of these laws are expected to be submitted to the NPC Standing Committee for approval next year.

This year, legislators and government officials have been working on 31 laws and regulations dealing with economic affairs, including a banking law, railway law, anti-unfair competition law and copyright law, the paper said.

The legislators plan to revise the 1979 Sino-Foreign Equity Joint Venture Law.

The revised version will stipulate that the persons to fill the positions of chairman and vice-chairman in a joint venture will be chosen by the Chinese and foreign partners or the board of directors after consultations.

The general manager and deputy general manager will be appointed by the board of directors.

The general manager and deputy general manager will be responsible only to the board of directors and are not to represent the interest of one side or the other.

The revised law is expected to be passed in the first half of next year, the paper said.

Since the first law on utilizing foreign capital was passed in 1979, China has formulated more than 20 foreign-related economic laws and 200 regulations concerning foreign economic affairs.

Chinese and foreign investors have formed 20,278 joint ventures with a pledged investment of \$32.1 billion and actual investment of \$14.1 billion in China, according to the paper.

Foreign Investment in Tianjin Increases

*SK1011044289 Tianjin TIANJIN RIBAO in Chinese
19 Oct 89 p 1*

[Text] Since the beginning of this year, the work concerning the utilization of foreign capital has developed steadily, and the investments made by foreign firms in Tianjin has increased sustainedly. From January to September of this year, Tianjin approved 63 enterprises for use by foreign investors, with the total volume of investments reaching \$120.2 million, of which the investments made by foreign firms amounted to \$72.95

million, accounting for 60.8 percent of the total. Compared to the same period of last year, the number of the foreign invested enterprises remained the same, while the amount of investments made by foreign firms increased by \$14.3 million, an increase of 24.4 percent.

Among the 63 foreign-invested enterprises approved by Tianjin from January to September of this year, 43 are joint ventures, 4 are cooperative enterprises, and 16 are solely foreign invested enterprises. Among these enterprises, 58, or 92.1 percent, are industrial enterprises, and the investments made by foreign firms in these industrial enterprises amounted to \$57.01 million, accounting for 78 percent of the total. These investments in industrial production will instill vitality into industrial development of the municipality.

In addition, the investment made by Taiwan compatriots in Tianjin has also increased noticeably. Since the beginning of this year, Taiwan entrepreneurs have made investments in seven enterprises, with the amount of investment reaching \$3.64 million, an increase of \$2.64 million, or 2.6 times, over the corresponding period of last year.

As of last September, there were 387 foreign invested enterprises in the municipality, and the total amount of investments in these enterprises was \$860 million, of which investments made by foreign firms was \$410 million, 47.7 percent of the total. Thus far, 189 foreign invested enterprises have started businesses or began production in the municipality.

POPULATION

More Urban Couples Decide Against Having Children

*OW1511120689 Beijing XINHUA in English
0638 GMT 15 Nov 89*

[Text] Beijing, November 15 (XINHUA)—When many people in China's rural areas are trying every means to have more children, more and more couples in large- and medium-sized cities say they don't want any children at all, reports the Shanghai-based LIBERATION DAILY.

According to incomplete statistics, 2 to 3 percent of the couples in Shanghai, Nanjing and some other cities do not want to have children. The number is small, but growing.

Investigation shows that most of the couples who do not want to have children are fairly well educated, emphasize self-worth and self-perfection, and do not want to be involved in hard daily chores.

Some couples say that the income of intellectuals is low and their energy is limited. They are not able to bring up their children if they want to achieve something in their work.

Some couples married very late and they think it is inappropriate to have children in their 30's or 40's. Some others believe that having children is meaningless.

A woman said frankly: "Although my husband and I are very young, we have decided not to have children. When we are old, we will live in an old folks' home."

The investigation also shows that a fairly large number of the couples who do not want to have children are those in which one spouse has gone abroad. Their reasoning is that having children will affect their feelings and increase their burden.

TRANSPORTATION

Bonds Issued To Finance Guangdong Railway

HK1511015389 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 15 Nov 89 p 1

[Text] The Guangdong provincial government has decided to issue bonds worth 180 million yuan (\$48.7 million) to fund the construction of a rail line from Yaogu to Maoming.

The issuing of the bond has already gained the approval of the State Council.

The repayment period is over either three or five years.

The five years bond will be issued to companies and collective enterprises with the face value amounts 1,000, 5,000 and 10,000 yuan at an annual interest rate 14 per cent.

The three years bonds will be issued to individual and private enterprises with face values of 50, 100 and 500 yuan. The annual interest rate is 13 percent.

The Yaogu to Maoming rail line is one segment of the Sanshui-Maoming line.

The Sanshui/Maoming line is a key project which will shorten the rail distance from Guangzhou to Maoming by 1,040 km.

Total investment in the Yaogu to Maoming segment is about 800 million yuan.

However, construction of the Yaogu to Maoming segment was almost halted during August after the Asian Development Bank suspended a promised loan.

The bank promised to loan \$67.5 million to the railway but the loan suspended after events in June.

The Guangdong provincial government decided then to raise fresh money from its citizens through the bond issue and solve capital problem.

The length of the Yaogu to Maoming section is 232 km, in three phases.

Phase one, a 73 km long segment has been completed while phase two and three are under construction at the moment.

The whole Sanshui/Maoming railway line is expected to be completed by the end of next year.

Nanjing Port Completes Construction of New Berths

OW1411233489 Beijing XINHUA in English 1558 GMT 14 Nov 89

[Text] Nanjing, November 14 (XINHUA)—Two 10,000 dwt [deadweight ton] berths and three 1,000 dwt berths have just been completed at Nanjing Port in east China's Jiangsu Province, adding 2.53 million tons to the port's annual handling capacity.

According to port officials, another eight large berths with a total annual handling capacity of 2.85 million tons are being built at the port. All these berths are expected to be completed by the end of next year.

The Nanjing Port, located on the lower reaches of the Yangtze River, is China's biggest inland water port.

AGRICULTURE

Scale Management Called Key to Modernized Agriculture

90OH0036A Beijing JINGJI YANJIU [ECONOMIC RESEARCH] in Chinese No 8, 20 Aug 89 pp 72-75

[Article by a researcher at the Economics Institute of the Chinese Academy of Social Sciences: "Scale Management To Boost Productivity in Agriculture"]

[Excerpt] An Appropriate Amount of Scale Management Is the Only Way To Develop China's Agriculture Steadily

After a decade of reform and development following the 3d Plenary Session of the 11th CPC Central Committee, China's rural economy has changed tremendously. These are the major changes:

1. The introduction of the household responsibility system of linking remuneration to output has reaffirmed the peasant family's position as the dominant agricultural producer and manager. Family management has become the basic organizational form of agricultural production in China.
2. Agricultural production has recovered and grown. Both labor productivity and yield per unit area have gone up. In some years, major crops like grain and cotton have set historic records. Commodity production too has taken the first strides.
3. As a new force suddenly coming to the fore, township and town enterprises have become a major pillar of the rural economy. The secondary and tertiary industries

have also made considerable headway. The non-agricultural sector accounts for a substantial share of the gross output value of the rural economy, having already exceeded that of agriculture in 1988.

4. Large numbers of agricultural workers have left agricultural production. Some are now engaged in non-agricultural production in the countryside. Others have moved to large and medium-size cities to work as laborers or to go into commerce. These people are often the first in the countryside to become rich.

5. Peasants' earnings have gone up appreciably. Their needs for food and clothing have largely been met. Peasants have clearly become much better off economically. They have also become more conscious of the commodity economy and their quality having improved as well.

These changes testify to the gains in rural productive forces in China. The traditional autarkic self-sufficient natural economy has been dismantled and is being rapidly replaced by a commodity economy. This transformation represents historic progress. At the same time, it has also caused a host of new problems for agricultural production.

1. Increasingly the peasant family is an independent commodity producer and manager. What it seeks is no longer use value, but value. To be recognized by society, its individual labor must be channeled through the market. Only then can the value of its live labor and material labor be realized. Therefore, what the peasant family produces and how much is not determined by what it needs, but by supply-demand changes on the marketplace.

2. A related issue is economic efficiency; that is, how can less input be made to generate more output? This is now uppermost on the minds of peasant families and is the paramount driving force of their production and management behavior.

3. As rural economic reform intensifies apace and as township and town enterprises and rural secondary and tertiary industries develop, peasants find that more and more trades and lines of business are now open to them. The peasant who leaves agriculture to be a laborer or to enter business earns much more than if he stays in farming. The gap in comparative advantage is widening all the time. To a growing extent, comparative advantage determines the motivation of a peasant to farm the land, particularly produce cash crops.

4. Because the prices of agricultural capital goods have been rising endlessly, thus widening the price differences between agricultural and industrial goods, the costs of farming have risen sharply. As farming becomes less profitable, peasants have begun to lose interest in farming, especially grain cultivation. Their attitude is that while they cannot but have to work the land, they do not want to farm too much land, let alone do it very well. They only want to grow enough to feed themselves and

fulfill state procurement quotas. Extensive cultivation and even land abandonment have appeared in many localities. Instead of increasing, grain output has been languishing in the last few years.

While these problems are attributable to many factors, the most fundamental is that as agricultural production becomes increasingly commercialized, the law of value, which is the basic law of the commodity economy, has become increasingly important as a regulator of agricultural production. Economic efficiency, therefore, has become the single most important factor in stimulating or curbing agricultural production, particularly grain production. It has acquired strategic significance, something that has a vast impact on agricultural production and development.

The economic efficiency of agricultural production has traditionally been disregarded in China. The economic efficiency of grain production, in particular, has always been at the lowest level. In part this has to do with the irrationality of comparative prices among agricultural products and between agricultural and industrial products. However, the most basic reason is that productivity of Chinese agriculture, especially grain production, is minimal and has shown little improvement. On average one agricultural worker is responsible for 0.5 hectare of cultivated land, producing over 1 ton of grain and feeding 3.5 people. This is equivalent to a mere 0.8 percent of agricultural productivity in America. Given such low productivity, even the most reasonable price parities cannot boost the incomes of a peasant who farms to match that of a peasant who works as a laborer. To improve the economic efficiency of China's agricultural production and turn Chinese agriculture into an economic sector with real momentum, therefore, we must overcome its backwardness and transform Chinese agriculture from a traditional agriculture into a highly efficient and profitable modern agriculture. This is the fundamental way out, and the only way out.

China is a populous country where peasants account for the bulk of the population. It has relatively little arable land, less than 1.5 mu per capita. In view of China's conditions, therefore, increasing yield per unit area in every way possible is only one aspect of increasing agricultural productivity. Another aspect is to increase yield per unit labor force and managing agriculture on an appropriate scale on the basis of intensive cultivation. Only by merging these two aspects can we both increase the yield per unit labor time and decrease the magnitude of value of unit product. That way we increase both output and incomes and raise labor productivity and efficiency at the same time. It follows that scale management is both an objective requirement and the only way to further develop agricultural production in China.

As mentioned before, the scale of agriculture is closely related to the development level of productive forces. The scale of operations of the peasant family by and large is compatible with the current status of rural productive forces. But agricultural productive forces

have developed unevenly from place to place. In some economically developed areas, this kind of scale of operations is no longer consistent with the extent to which productive forces have developed. The scale of management in these places has become uneconomical. Here it is necessary for us to expand the scale of management of agriculture appropriately without delay, depending on the degree of maturity of the local rural economy, and use such appropriate scale management as a launching pad toward specialization and socialization. Such a move would also meet the objective need of the development of productive forces. In these places the only way to make agricultural development consistent with local social and economic developments, particularly the development of an urban economy, is to put the promotion of scale management on the agenda. And only by building on scale management can we increase the efficiency of agriculture overall, a point fully proved by the experiments of some pioneering areas. In other areas where the development level of productive forces is still quite low at the moment, the issue of economies of scale is not an urgent one. Still, as their productive forces expand and various economic conditions mature over time, they may sooner or later have to face the question of introducing scale management. Under no circumstances should we commit the folly of "trying to help the shoots grow by pulling them upward" in these places irrespective of objective conditions. But neither should we deny the need for and feasibility of scale management in mature areas just because other places presently lack the objective conditions and cannot adopt scale management immediately.

The Feasibility and Principles of Scale Management in Chinese Agriculture

It is feasible as well as inevitable to practice scale management in Chinese agriculture because the development of agricultural productive forces requires and makes possible the rational reallocation of all kinds of capital goods, as demonstrated in the following:

1. The departure of agricultural workers from agriculture has reduced the absolute and relative size of the labor force exclusively engaged in agriculture. Some peasant families have become non-agricultural management households. To them, agriculture has become a sideline occupation which is no longer the source of their primary income. Some peasant households have come to view working a couple of mu of farmland and meeting various obligations as a burden and have requested that they be allowed to get out of contracting or transfer the land.

A number of peasant households, however, are not satisfied with the handful of mu of land contracted by them based on the average per labor ratio and want to contract for more land in order to catch up with the earnings of people engaged in other trades.

2. The growing mechanization of agriculture and the huge scientific and technical inputs in agriculture have taken a large part of manual labor out of agriculture.

Hence the enormous increase in the area of arable land that each worker can handle.

3. The development of township and town enterprises and secondary and tertiary industries has energized the rural economy, which means that more funds are now available for investment in agriculture and that collective unified management has also been invigorated.

4. The establishment and perfection of a pre-production, production, and post-production socialized service system has created the necessary conditions for scale management.

5. The caliber of agricultural workers has improved, making it possible for peasant families to commercialize agriculture.

These are the five conditions indispensable to scale management in China's agriculture, all of them closely related to productive forces having reached a certain level. When productive forces have developed to such an extent that these conditions are essentially mature, scale management in agriculture would materialize naturally. "When a melon is ripe, it falls off its stem." And only the scale management that materializes when these conditions mature will transform agriculture into a highly efficient and highly profitable modern industry, powerfully driving further advances in agricultural productive forces.

In adopting scale management in Chinese agriculture, we must adhere to a few principles as follows:

First, seek truth from facts and adapt measures to local conditions. As explained above, certain conditions, the result of the development of productive forces, must be met before scale management can be adopted. In China, both natural and economic circumstances vary enormously from place to place. The development of agricultural productive forces presents a highly complex multi-level picture. The objective conditions for scale management are not present in every locality at the same time. Therefore, we must work with local conditions prevailing at the time in a pragmatic manner, introducing scale management in one place after another as conditions ripen. As long as conditions remain immature, a locality is not ready for scale management. Never again shall we repeat our past mistake of succumbing to the herd instinct, blindly and mechanically imitating the experience and practices of other localities. Local conditions should be our starting point in everything.

Second, we must adhere to the principle of diversification. No rigid mold, no uniform model. Instead diversification should be allowed. Collective farms and cooperative farms are fine, so are family farms and large grain-producing households. Independent management as well as joint management should be permitted. Full-time management as well as part-time management should be allowed. Both total mechanization and semi-mechanization are acceptable. One can do the management himself, or he can hire others to do it. All these

variations could be combined with the household responsibility system of linking remuneration to output, so instead of being incompatible with the latter, which we are implementing and perfecting, they are intertwined and interrelated, supplementing and reinforcing one another. We must not regard scale management and the household responsibility system of linking remuneration to output as mutually exclusive, let alone mistakenly assuming that scale management is a rejection of the household responsibility system of linking remuneration to output.

Third, the principle of appropriate amount. Management may be on a large scale or a small scale, depending on what is appropriate and conducive to optimizing profitability. Scale management must not be simply equated with the expansion of area under cultivation. Instead we should focus on raising the productivity of labor, land, and inputs through the optimal combination and reasonable allocation of means of production, thereby making agricultural production even more profitable. Also "appropriateness" must be quantitatively analyzed in a timely way. On the one hand, it must be relatively stable. On the other hand, it must be sensitive to changes. Scale management should be expanded gradually and steadily.

Fourth, the principle of compatibility between economic profitability and social and ecological benefits. On the one hand, we want peasants to increase their incomes through scale management. On the other hand, we want to protect the ecological environment and raise the share of commodities among agricultural products so that an even more diversified array of agricultural products is available in society to satisfy its needs and the requirement of national economic development. Toward that end, we should vigorously develop ecology-oriented agricultural scale management and, even as we introduce scale management in crop cultivation, do likewise in forestry, animal husbandry, sideline production, and fishery, develop secondary and tertiary industries and township and town enterprises in a planned way. This is the only way to develop comprehensive management, comprehensive development, and comprehensive utilization, thereby increasing the added value of agricultural byproducts through primary and multiple processing, bring about the effective conversion of various biological and nonbiological forms of energy, and make the most of the biological chain.

Finally, the principle of respecting the wishes of the masses of peasants. In the final analysis, scale management is a matter for peasants and must be carried out in accordance with their wishes. We must not exceed our functions and meddle in other affairs, let alone issue orders, which is a sure way to mess up a good idea. In implementing scale management, we must also consider the interests of peasants in varying circumstances. We must ensure that all peasants have a relatively stable source of incomes and reliable supply of grain ration. That way major social repercussions can be avoided and the peasants' living standards will improve steadily as a result of rising production.

Japan Helps To Develop Food Industry

OW2411031889 Beijing XINHUA in English
1531 GMT 23 Nov 89

[Text] Nanjing, November 23 (XINHUA)—Chinese and Japanese food experts have in the past five years carried out a number of successful cooperative projects in food production, processing, scientific research and resource development.

This was disclosed at the seventh meeting of the China-Japan Committee for the Development and Distribution of Food Products which met today in Nanjing, capital of east China's Jiangsu Province.

The committee was set up in 1984 with the approval of the Chinese and Japanese Governments. It has arranged training, exchange of personnel and mutual inspection for both parties.

Five Sino-Japanese ventures have been set up in Jiangsu and Shanghai, absorbing more than \$3 million from the Japanese investors.

The two parties have carried out compensation trade in bamboo shoots, fast-frozen vegetables and other food projects. They have exchanged cooking techniques and teaching methods.

The seventh meeting will focus on cooperation in 10 projects in the near future, and especially on preparations for the establishment of the China Food Development Research Center.

After the two-day meeting, the Japanese experts will go to several cities, such as Yangzhou, Wuxi and Suzhou, to visit food processing enterprises and Sino-Japanese ventures.

Authorities Urged To Meet Cotton Purchase Targets

OW1711142089 Beijing XINHUA in English
1111 GMT 16 Nov 89

[Text] Beijing, November 16 (XINHUA)—The Chinese Ministry of Commerce has issued a circular to local authorities urging them to guarantee a smooth fulfilment of cotton-purchase targets set by the state.

According to the circular, by 10 November, about 2.02 million tons of cotton had been purchased by the state, which is only 46 percent of the total state cotton purchase target. Shandong Province and the Xinjiang Uygur Autonomous Region have attained 60 percent of the target of contracted cotton purchase, but in most of the cotton-growing areas, like Hubei, Henan, Hunan, Shaanxi and Zhejiang provinces, only one-third of the targets have been reached.

Learning that the state has decided to raise the purchase price of cotton next 1 September, some farmers want to store cotton until the price rises. However, the circular directs local authorities to prevent this.

The circular says the agricultural bank should cooperate with cotton-purchasing departments to make sure enough funds are available for the task.

Purchasing agents are urged to be strict in implementing the state policy.

The circular is firm on banning a free market in cotton, and illegal purchasing and trading in cotton by individual businessmen and cotton mills.

The circular also demands that adequate measures be taken to protect the cotton from fire and mildew.

Mathematical Model Developed for Growing Corn

90OH0060A Dalian LIAONING NONGYE KEXUE
[LIAONING AGRICULTURAL SCIENCES] in
Chinese No 4, 18 Aug 89

[Article by Li Zhe (2621 0772), Cultivation Institute, Liaoning Provincial Academy of Agricultural Sciences: "Preliminary Test of Mathematical Model For Corn Growing"]

[Abstract] From 1982 through 1984, Liaoning Province conducted experiments in the application of systems engineering techniques to the growing of corn, using a carefully monitored input-output system in which the various variable factors affecting corn yields were regarded as inputs, and the yields as outputs.

Applied statistical mathematics methods and results obtained from numerous field experiments were used to build mathematical models showing how to produce high yields from low cost cultivation techniques.

This article describes the work of building the mathematical model, particularly emphasizing the painstaking work done in keeping track of input variables such as soil fertility, rainfall, temperature, and sunlight, as well as the effects of different fertilizers. Much of the explanation given in this five-page article is conveyed in mathematical formulas and tables.

Campaign Continues To Build Water Conservation Projects

OW1811191689 Beijing XINHUA in English
0234 GMT 18 Nov 89

[Text] Hohhot, November 18 (XINHUA)—The construction of water conservation works in China is entering a new stage this year.

This is the view of Wang Shouqiang, vice minister of Water Resources, expressed on a recent inspection tour of water conservancy in north China's Inner Mongolia Autonomous Region.

According to Wang, east China's Shandong Province will invest 4.6 billion yuan in the next 5 to 7 years on a project to divert water from the Yellow River to ease the province's water shortage.

North China's Shanxi Province plans to spend 10 billion yuan on flood-control, irrigation and drainage projects over the next 3 to 5 years.

Hebei Province will increase its irrigated area by 82,700 hectares and improve 23,800 hectares of farmland through construction of water conservatory works this winter and next spring.

To carry out the decisions on the construction of water conservatory works made by the State Council, the Inner Mongolia Autonomous Region will drill 20,000 mechanized wells and expand its irrigated area by 100,000 hectares in the next 2 to 3 years.

During the decade since the household contract responsibility system was introduced in rural areas, the construction of water conservation works was neglected, said Wang. This has seriously affected grain production, he said.

This year, Premier Li Peng and General Secretary Jiang Zemin have repeatedly emphasized the importance of the work.

Meetings were also held by the Ministry of Water Resources in September and October to organize the work.

Plan Devised To Turn Coastal Marshlands Into Farmland

OW2611084989 Beijing XINHUA in English
0812 GMT 26 Nov 89

[Text] Beijing, November 26 (XINHUA)—A plan has been worked out to turn China's 2.65 million hectares of uncultivated marshland along the country's coastline into farm fields, CHINA DAILY reported today.

Under the plan, some 40 agricultural production bases on 2.1 million hectares would be developed within the coming decade, the English newspaper quoted a senior official with the Office of National Agricultural Regional Planning Commission (ONARPC) as saying.

The official said the plan, yet to be approved by the State Council, is aimed at exploiting the 18,000-kilometer coastline to grow grain, cotton and other cash crops for domestic and international markets.

According to the official, the total cost of the development program is estimated at more than 13.83 billion yuan.

The ONARPC is calling for nationwide support from not only the central and local governments but also from local farmers, said the official, adding that foreign bank loans and cooperation projects are also expected.

He said the ONARPC organized senior Chinese experts to undertake a feasibility study of the program last year.

According to the experts' estimation, the state could recoup its total investment in this program within 10 to 17 years after these agricultural production bases are put into operation.

Fruit Production Expected To Increase

OW2411022089 Beijing XINHUA in English
1458 GMT 22 Nov 89

[Text] Beijing, November 22 (XINHUA)—The total fruit output in China is expected to reach 19.9 million tons this year, a 19 percent growth over last year, according to a report released by the Ministry of Agriculture.

The output of oranges and tangerines is expected to increase by 70 percent and output of apples, pears, and grapes, by 10 to 20 percent, over last year.

This year, the land grown with fruit trees in the country has expanded to 5.66 million hectares, a 12 percent increase over last year.

As a result of fruit production expansion, the average annual fruit every Chinese had was 15 kilograms in 1988, 8.2 kilograms more than in 1978.

Cash Income of Rural Households Reported

HK2011094789 Beijing CEI Database in English
20 November 89

[Text] Beijing (CEI)—Following is a list showing per capita cash income of rural households in the third quarter of 1989:

	(Unit: Yuan)	
	7-9/89	7-9/88
Total	173.38	157.78
1. From collective	9.67	8.54
2. From cooperative	0.73	0.67
3. From farm products and by-products	94.55	84.61
4. Other nonproduction	15.33	14.42
5. From savings and loans	22.86	22.90

Expenditures of Rural Households Reported

HK2011095189 Beijing CEI Database in English 20
Nov 89

[Text] Beijing (CEI)—Following is a list showing per capita cash expenditure of rural households in the third quarter of 1989:

	(Unit: Yuan)	
	7-9/89	7-9/88
Total expenditure	166.62	147.94
1. Expenditure of prod	40.12	35.21
2. Living cost		
A. Expenditure of living	74.81	70.75
B. Expenditure of culture	10.87	8.88
3. Other nonproduction expenditure	7.39	5.70
4. Expenditure of savings and loans	20.59	16.43

XINHUA Economic News Briefs for 21 November

OW2111134389 Beijing XINHUA in English
1124 GMT 21 Nov 89

[Text] Beijing, November 21 (XINHUA)—Today's economic news briefs: **Water Project in Hunan**

A large multi-purpose water conservation has been put into operation recently in Yueyang City of Hunan Province.

The Tieling Reservoir has a 44.5 meter-high dam, with a water storage capacity of 635 million cubic meters. It can irrigate 61,000 ha of farmland, and also be used for aquatic production.

Fishing Port Open to Outside

The Lusi Fishing Port in Jiangsu Province has recently opened to the outside world with approval from the local government. Situated on the north bank of the Yangtze River 70 km away from the East China Sea, it now can export aquatic products straight to foreign markets.

Salt Prices Increase on 25 Nov

OW2511063789 Beijing XINHUA in English
1500 GMT 24 Nov 89

[Text] Beijing, November 24 (XINHUA)—From 25 November, the retail prices of crude and table salt will be increased by an average of 0.16 yuan and 0.22 yuan per kilogram respectively in China's major cities, according to an announcement by the State Administration of Commodity Prices.

The prices of products processed from crude salt will rise accordingly. In rural areas the retail price of table salt will also be adjusted.

The announcement says that with the implementation of the rectification and reform policies, this year's market is becoming increasingly stable. Last month the retail price index in China's 35 major cities rose 7.6 percent compared with the level in the same month last year, and decreased 23.7 percent from the 31.3 percent of January this year.

Many goods are selling sluggishly on the market. The retail price of refrigerators has decreased 15 percent to 25 percent, woolen blankets by some 10 percent, and the famous brand liquors by 15 percent. Few goods are rising in price.

The rise in the price of salt is aimed at pushing the development of the salt industry and its distribution so as to meet the needs of the state economic development and people's lives.

The present prices of salt are even lower than that of 1950's, causing losses over a fairly large part of the salt business, and because of the high cost of transport and the raising of the bank interest rate, few commercial units want to sell salt.

Government Improves Quarantine of Livestock

OW2011200489 Beijing XINHUA in English
1542 GMT 20 Nov 89

[Text] Changsha, November 20 (XINHUA)—A network of animal quarantine has taken shape throughout China since the State Council promulgated regulations on livestock and poultry in 1985.

A recent national meeting here was told that all localities, livestock producers, slaughter houses, transport and marketing departments have set up quarantine offices or assigned special workers. A few years ago only some railway departments in the provinces and regions had quarantine facilities.

China now has 140,000 quarantine workers. They inspect 92 percent of farm markets.

Veterinary hygiene inspection has improved considerably. China has more than 20,000 veterinary inspectors, and Inner Mongolia, Ningxia, Guizhou and Heilongjiang have set up special veterinary hygiene inspection departments. Last year the inspectors handled more than 70,000 cases.

Local authorities have also raised the qualification standards of quarantine workers through training and examination.

Pine Forests Plagued by Parasites

OW2111085689 Beijing XINHUA in English
0651 GMT 21 Nov 89

[Text] Beijing, November 21 (XINHUA)—Pinewood nematode, a parasite carried by long-horned beetles, is threatening millions of hectares of pine trees in southern China, CHINA DAILY reports today.

The forestry officials say that they have just a few months to find a solution before the beetle becomes active again in the spring.

The pest came from Hong Kong last year, officials say, and affected Shenzhen first. Thousands of pine trees have died of the infestation. To date, damaged pines have been found in Guangdong, Jiangsu and Anhui Provinces.

Wang Shuying, an official in the Ministry of Forestry, said that once the worm is established, the tree can be killed in two months.

Wang said government officials and scientists are worried because about 20 kinds of trees are vulnerable to the worms.

Later this month, officials from Shenzhen, Jiangsu and Anhui will meet in Anhui Province to discuss a plan of action.

Winter Planting in Fujian 'Proceeding Smoothly'

OW0112144089 Fuzhou Fujian Provincial Service in Mandarin 1100 GMT 23 Nov 89

[Text] The winter planting situation in the province is good this year, with the planting proceeding smoothly. Provincial leaders at all levels have paid much attention to winter production and have exerted all-out efforts with regard to the work of winter production. After achieving increases in grain production in the last 3 seasons, the entire province has been mobilized in connection with the production of winter crops. Our province's winter crop production is marked by the following characteristics this year: First, early preparation and quick action. According to local agricultural departments, the progress of this year's winter planting is ahead of last year's pace by 3 to 5 days. The whole province had planted 3.4 million mu of winter crops by the middle of the month, representing a 45 percent fulfillment of the provincial plan. A total of 410,000 mu of barley and wheat have been planted, an increase of 160,000 mu over last year. Acreage planted with Chinese milk vetch, rape, Taiwan pea, and vegetable has increased as compared with the same period last year.

The excellent execution of the winter planting plan is the second characteristic of the winter planting production. Winter crops have been planted on 2.66 million mu, exceeding the provincial plan by 160,000 mu.

The third characteristic is marked by the high quality of the winter planting. It is anticipated that, in comparison with last year, the agricultural policies to plant excellent strains of crops on more farmland, to use more night soil, and to carry out large-scale farming operations will be promoted more throughout the province. The province has 2.68 million metric tons of fertilizers at its disposal for winter planting. High yield model farms of 173,000 mu can be found in Fuzhou and Quanzhou. The purpose of setting up these model farms is to bring about balanced development in other areas and to raise the quality of winter planting.

Guangdong Increases Output of Low-Yield Farmland

OW1311134589 Beijing XINHUA Domestic Service in Chinese 0538 GMT 13 Nov 89

[By reporter Ye Jundong (0673 0193 2639)]

[Text] Guangzhou, 13 Nov (XINHUA)—Guangdong Province, where the per capita acreage of cultivated land is less than 0.7 mu, is stepping up its effort to transform and upgrade the low-yield farmland in the province. The province completed upgrading 1.12 million mu of such farm fields during last winter and this spring. An acceptance test shows that the unit yield of the transformed low-yield land increased by 50 kg or more.

Guangdong Province has a total of more than 11 million mu of medium- or low-yield farmland, where per mu

yield is below 500 kg. The province will have an additional harvest of 550 million kg of grain each year if each mu of these farm fields can increase its unit yield by 50 kg after the upgrade in transformation. All cadres and the masses throughout the rural areas of Guangdong were highly motivated to transform the low-yield farms during last winter and this spring. As a result, large tracts of low-yield farmfields have become high-yield fields. Kaiping County's Dasha Town, after succeeding in transforming 5,000 mu of low-yield gully land last winter and this spring, reports an increase in its early rice crop of 74 kg per mu this year as compared to the last year.

In their efforts to transform the low-yield fields, all localities in Guangdong are taking the approach of tackling the problems in a comprehensive way to deal with water conservancy, application of additional fertilizer, soil improvement, adoption of fine seeds and good methods simultaneously. They focused attention on repairing and improving the irrigation and drainage system and water conservancy works, increasing green and other manures in a big way, ameliorating the soil, and using high-yield hybrid paddy seeds. In some localities, transformation of low-yield fields is carried out in combination with the activities to strive for high grain output.

Guangdong Farmers Earn Higher Incomes

HK2311013289 Beijing CHINA DAILY in English
23 Nov 89 p 3

[By staff reporter Li Zhuoyan]

[Text] Guangzhou—Farmers in Guangdong Province are enjoying a higher income these days, according to a survey by the Provincial Rural Social Economic Surveying Team.

The survey, covering 2,660 households in 32 counties of the province, shows that the average per capita income for farmers amounted to over 923 yuan in the first three quarters of this year, for an increase of about 228 yuan, 33 percent over the same period last year.

According to the survey, three new characteristics of the farmers' income appeared.

One is that although they earned more money by selling vegetables, poultry, eggs, fish and shrimp, owing to higher prices for these items, they actually were selling smaller quantities.

"Sales will go up next year since this year's good harvest of grain in the province, as well as in the whole country, will supply adequate feed for raising more poultry, fish and shrimp," said Dong Jiabin, an official from the surveying team.

But Dong said the farmers sold much more sugar and fruit, with increases of 19 and 48 percent respectively.

Another noticeable point is that although the austerity policy of the State has led to the closing of some sideline

township enterprises, Guangdong's farmers still increased their profits in such trades.

"Income the farmers got from the trade grew by 37 percent over the same period last year," Dong said.

He said this was because most of the employees who lost their jobs in the economic "slowdown" campaign were labourers from other provinces, and local farmers who were involved in nonagricultural production were not affected much.

The third characteristic is that although the average per capita income of the farmers in the plain areas amounted to more than 1,380 yuan in the last three seasons—about 50 percent higher than that in the hilly areas and nearly 97 percent more than the mountainous areas—the growth rate of the farmers' income in the hilly areas, nearly 36 percent over last year, is higher than the rate of increase in both plain and mountainous areas.

Henan Begins Irrigation Project Construction

OW1211115289 Beijing XINHUA in English
1502 GMT 9 Nov 89

[Text] Zhengzhou, November 9 (XINHUA)—Construction of a large irrigation system was begun in Henan Province, a major grain producer in north China, earlier this month.

The system, located on the lower reaches of the Yellow River, the second-largest river system in China, is designed to divert water from the river to water crops in Kaifeng, Weishi and Tongxu Counties, and surrounding areas.

The project will cost 300 million yuan.

A local agriculture official predicted the project will bring 149,000 ha of land under irrigation when it is completed.

Meanwhile, farmers in the province are building 15 other water irrigation projects along the river's banks.

So far, the province has completed 26 large and medium-sized water conservation projects which are able to irrigate 666,000 ha of farmland.

By the year 2000, the official said, the irrigated areas in Henan are expected to reach a total of 1.2 million ha, a quarter of the total wheat-sown areas in the province.

Henan To Raise Salt Price

HK0512034489 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 25 Nov 89

[Excerpt] In order to change the situation in which the price of salt has been on the low side for a long time, alleviate the contradictions that have emerged due to the difficulties in production, and promote the development of salt production to meet the needs of our economic development and the people's everyday life, and in

accordance with the unified arrangements of the State Council, our province has decided to readjust the price of edible salt and increase the price of industrial salt at the same time. After this readjustment, the retail price of crude salt in Zhengzhou's market under state management will be 23 fen for each 0.5 kg, which is 8 fen higher than the original price. Salt prices in various cities directly under the provincial authorities and along the railroads as well as in various prefectural capitals will be basically the same as the prices in Zhengzhou, but they can be rationally readjusted in light of the concrete situations of the major salt markets and the general price levels there. [passage omitted]

Hubei Reaps Bumper Grain Harvest

HK2911132089 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 26 Nov 89

[Excerpts] Our province has reaped a bumper grain harvest, topping all time record in its gross output.

According to the provincial Statistics Bureau, the province's total grain output this year is estimated to reach 23.5 billion kgs, 973 million kgs more than last year, surpassing the all-time record achieved in 1987. [passage omitted]

By 15 November more than 4.746 kgs of grain had been put in storage throughout the province, 3.1 percent higher than the same period of the previous year.

Credit Climate Limits Hubei Agricultural Loans

90OH0075A Beijing JINGJI CANKAO [ECONOMIC INFORMATION] in Chinese 16 Oct 89 p 4

[Article by Wan Shuiting (8001 3055 1656) of the Hubei Province branch of the Agricultural Bank of China: "Factors Limiting Agricultural Investment"]

[Text] At the same time as there have been rising calls for more agricultural investment, the amount of agricultural credit has shrunk instead. Not only is the percentage of agricultural loans (referring to agricultural loans by the Agricultural Bank (AB) and cultivation loans by credit agencies to collective farms and peasant households) falling, but even the amount of agricultural investment is decreasing. As to the percentage of agricultural loans that were granted in the first half of 1989 (the first half of the year is used because agricultural loans are granted mostly in the first half of the year and repaid in the last half), a net amount of 64 percent of all the loans that were granted by the AB and credit agencies in Hubei Province in the first half of 1989 were for agriculture (excluding the factor of the decrease in procurement loans). This was 22.3 percent less than in 1986 and 1.1 percent less than in 1988, and includes yearly decreases in the percentages of agricultural loans by credit agencies from 69.43 percent in 1986 to 54.6 percent in 1989. As to the amount of agricultural loans granted, the AB and credit agencies in Hubei Province granted a net amount of 775 million yuan of agricultural loans in the first half of

1989, or decreases of 465 million yuan and 37.5 percent over 1988 and 233 million yuan and 23.1 percent over 1987. Considering the factor of the decrease in the real buying power of loans caused by price increases for agricultural means of production and farm machinery, it can be seen that the amount of agricultural loans granted in Hubei Province in 1989 was even more obviously inadequate.

An in-depth analysis of the decrease in the amount of agricultural credit granted shows the following fund regulation, control, and distribution tendencies and the obstacles in the credit climate that limit the amount of agricultural loans granted:

I. The Tendency of the Fund Structure To Favor Cities

Agricultural credit funds have been nibbled away in many areas and on many levels in recent years. For instance, the People's Bank of China (PBOC) has raised the percentage of starter funds for the various kinds of public bonds that it issues and cut down the portion that the AB can rediscount, local governments have defaulted on the subsidies that they should have deposited in special credit agency savings for enterprise losses, added costs, and prices, local governments have collected very high percentages of enterprise profits and apportioned enterprise expenses to the point of killing the goose that laid the golden egg, and enterprises have used funds more irrationally and turned them over too slowly. In the midst of this nibbling away of agricultural credit funds in many areas, the state has taken administrative regulation and control steps to transfer increasingly larger amounts of funds under an increasing number of pretexts mostly to cities and national key construction projects. For instance, public finance and the PBOC alone transferred 640 million yuan, or 40 percent of 1988's increased savings deposits in the AB and credit agencies, from Hubei Province's rural financial institutions in 1988. These inflexible administrative fund regulation and control steps lowered the capacity of rural financial institutions to grant loans and inevitably slowed the implementation of rural industrial policies that favored agriculture;

II. The Tendency of Agricultural Funds To Be Used for Nonagricultural Purposes

Since the second stage of rural reform was begun, agriculture has been experiencing increasingly glaring conflicts in fund competition with rural nonagricultural trades, and with industry in particular. This is a normal occurrence in the restructuring of rural industry. But in the fund competition conflicts between agriculture and nonagricultural trades, we neither looked for the factors that would balance fund supply and demand for agriculture and other industries from the angle of agriculture's basic role and the need to improve agriculture development stamina, nor did we realistically consider the common development of agriculture and other industries based on the real need to restructure industry. Some of us favored industry and strove for social output value

in rural areas, while others exaggerated the capacity of peasants to raise their own investment funds. Since we did not understand that this would cause an inevitable reduction in agricultural investment, nonagricultural loans increased too quickly, while agricultural loans shrunk correspondingly.

III. The Tendency To Compete for Profits Under a System of Comparative Efficiency

The current interest rate system uses a policy of lower interest rates and more favorable terms for agricultural loans than for other industries. The policy that has been in effect in recent years of allowing interest rates on loans to fluctuate still puts limitations on interest rates for agricultural loans. Although interest rates on agricultural loans were later allowed to fluctuate gradually, the scope of fluctuation was smaller than other industries. Although the policy of lower interest rates and more favorable terms for agricultural loans played a certain role in reducing peasants' burdens, the effects of the law of value exacerbated the erosion of agricultural funds because the circulation of credit funds was still affected by the following two particular conditions:

1. After the AB and credit agencies put the contract management system into effect, their improved concepts of business accounting and profits were prominently displayed in striving for credit fund profits. Since factors, such as the frequent readjustments of interest rates on bank savings, the initiation of guaranteed value savings, the shrinking of money markets, and competition within the banking profession, increased the cost of raising funds for credit agencies in particular, very little of their funds now come from high interest, noncredit funds, or their own circulating funds. On the contrary, these funds have come to rely, mostly, on savings deposits for sources of credit funds. This high-cost fund source structure, in addition to the policy of gradually eliminating subsidies, has forced the banking institutions to look for alternative sources of credit funds in industries that have higher profit margins;

2. Agricultural credit plan limitations were softened. When credit plans were based on target management, the AB and credit agencies generally granted loans based on targets and, depending on higher-level or central banks to resolve fund shortages, to ensure fulfillment of their loan plans. But after credit funds were balanced in accordance with the actual loans and savings by each financial institution, the PBOC and higher-level banks could then begin to control the overall scope of loans and the loans by central directives while allowing each financial institution to regulate other loans on their own and vary the amount of agricultural credit they granted. At the same time, the administrative control of loans and other similar loans by central directives, and the evasion of planned monitoring and control by some industrial and town and township enterprise loans that were outside of the economic plan, had caused loans to "spill over" into agricultural loan projects, giving these agricultural projects opportunities for fraud on loans that were actually granted.

IV. Obstacles in the Investment Climate

The major obstacles in the investment climate that limit the amount of agricultural loans granted are as follows:

1. The scope of agricultural management is too narrow and decentralized. The "right climate" for large-scale land management did not evolve in the decade of practicing and perfecting the contract system. This management defect has limited the process of agricultural mechanization, irrigation, and electrification, as well as financing and the investment in modern agricultural process.

2. The collective economy is too weak and unable to support enough credit. The present small peasant household units lack material guarantees and the capability to repay, use, and manage large loan investments.

3. Peasants have a poor sense of investment. Since the profits that can be earned from land have decreased progressively, and relatively low profits are earned from grain production under the present procurement systems of agricultural products and pricing, peasants lack the motivation for long-range economic activity and incentives to develop and expand consumption, short-term investments, and simple reproduction. The data from a survey of family livelihood conducted by the Hubei Statistics Bureau shows that peasants invest only 20 percent of their expenditures in production, while using almost 70 percent for consumption, keeping 10 percent as savings and cash on hand. Moreover, it was found that the percentage of expenditures invested in production is still continuing to fall.

The limitations of these investment conditions have confined agricultural credit to be invested only in the simple reproduction process, thereby limiting the investment of the agricultural production costs.

The accumulative effects of the above-mentioned factors had compelled the agricultural investment to decrease.

Hunan Bank Grants Additional Loans to Rural Areas

HK0112182689 Changsha Hunan Provincial Service in Mandarin 2300 GMT 29 Nov 89

[Text] The Provincial Agricultural Bank held an emergency meeting of directors of its branches in prefectures and cities in Xiangtan recently, at which a decision was made to grant additional loans of 700 million yuan to the rural areas before the end of the year in an effort to promote a sustained, stable, and harmonious economic development in countryside.

Of the loans offered by the Provincial Agricultural Bank, 300 million yuan will be allotted to supply and marketing cooperatives and commercial departments to lay up agricultural means of production and send manufactured goods to the countryside; 100 million yuan will be used to support agricultural production this winter and

spring ploughing next year; and the remaining 300 million yuan will be used to purchase farm and sideline products.

Jiangsu Autumn Grain Harvest

*OW2211235789 Beijing XINHUA in English
1523 GMT 22 Nov 89*

[Text] East China's Jiangsu Province is expected to reap 22.3 million tons of autumn grain this year, topping the record harvest of 1986 by more than three percent.

The province's total grain harvest this year will, therefore, come to 32.63 million tons, 190,600 tons more than last year, even though the summer harvest was reduced by drought.

Jiangxi Reports Bumper Agricultural Harvest

OW2011112289 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 6 Nov 89

[By XINHUA reporter (Liu Xiaomin)]

[Text] Thanks to the improvement and rectification drive, our province's agriculture has experienced favorable new changes. This year our agricultural production managed to achieve comprehensive bumper harvests in spite of serious flooding.

The yearly total grain output is expected to reach 75.6 billion kg, very likely the highest annual yield. The total output of cotton is 1.1 million dan, up 65 percent from last year. The total output of oil bearing crops is expected to reach 10.35 million dan, registering a 15 percent increase and an all-time record high. The total yield of fruit, tea, tobacco, and cocoons all set new records. The animal husbandry and fishery industries as well as township and village enterprises all report a wide margin of growth.

Four reasons account for the all-around production growth in the areas of agriculture, forestry, husbandry, fishery, and sideline products. First, it is because the party and government organizations at all levels solidly strengthened their leadership over agriculture. Early this year, the provincial party committee and government put forward an explicit strategic plan aimed at building the province's economy on the foundation of agriculture, and asked leaders of party and government departments at various levels to tackle the task personally. During the first half of the year, when drought and flooding were frequent, leaders of various localities at all levels straightened out the frontlines of production and gave full support to (the masses) to help them raise production in spite of difficulties. In the second half of the year, the acreage of late rice and autumn grains other than rice and wheat increased by over 2 million mu. For the first time, the acreage under cash crops exceeded 10 million mu, an increase of 3.7-plus million mu over last year. These increases paved the way for this year's bumper agricultural harvest.

Second, the economic policy for the rural areas was more effectively implemented. Measures such as readjusting the procurement prices of grain, cotton, and oil-bearing crops; canceling the practice of purchasing grain from peasants not at negotiated prices but at fixed prices; and strengthening cooperation between departments in charge of grain production and materials supply created some 700 million yuan of material benefits for the peasants across the province and aroused their enthusiasm for production.

Third, investment in agriculture has increased. The water conservancy projects carried out from last winter to this spring produced the best results in 10 years—more than 150 million cubic meters of completed earthwork, over 800,000 mu of newly created or improved land under irrigation, and effective soil anti-erosion work that covered more than 848,000 mu of land. According to statistics, the provincial government appropriated total 220 million yuan as support-the-farming funds during the January-July period. The money greatly boosted agricultural development.

Fourth, agriculture science and technology has been more widely publicized and applied. This year the province organized over 5,000 agrotechnicians to go to the countryside to develop the agricultural contracting system, which successfully promoted a balanced growth of grain production on a large scale.

Jilin Opens Vegetable Warehouse

*OW1211181489 Beijing XINHUA in English
1503 GMT 12 Nov 89*

[Text] A large air conditioned vegetable warehouse has just been built in Changchun, capital of northeast China's Jilin Province. The warehouse, which cost 3.97 million yuan, boasts a storage capacity of 1,000 tons.

Ningxia Achieves Bumper Harvest

*OW2011203089 Beijing XINHUA in English
1443 GMT 20 Nov 89*

[Text] Yinchuan, November 20 (XINHUA)—This year's grain output in Ningxia Hui Autonomous Region will reach 1.754 million tons, 6.8 percent more than the all-time high of last year, according to estimates by the regional department of agriculture.

The output of oil bearing crops is estimated to rise 13.6 percent to 61,394 tons on 1988 and the pigs in stock are 627,690 head, 8.6 percent more than last year. The output of aquatic products is expected to increase 8.6 percent on last year.

An official from the department said that the growth is largely due to the region's special attention to farming. The supply of chemical fertilizer this year increased 34 percent compared with last year. Prompt supply of agricultural chemicals reduced the loss caused by crop diseases to the least possible level.

Shandong Opens Huang He Canal To Supply Water to Qingdao

OW1611230089 Beijing XINHUA in English
1558 GMT 16 Nov 89

[Text] Qingdao, November 16 (XINHUA)—The 252.5 kilometer-long canal to divert Yellow River water to Qingdao began to supply water to this Shandong Province coastal city this afternoon.

Beginning at Dayuzhang in Huimin Prefecture of Shandong Province, the diversion canal flows through 10 counties and cities in four prefectures to Qingdao's Jihongtan Reservoir.

Qingdao urgently needs fresh water. Its underground water supply is nearly exhausted, and its major water source, the Laoshan Reservoir, is very low. Without the newly completed diversion canal, the city would have had a water shortage by the end of November.

Work on the diversion project began in 1986 with an investment of 800 million yuan by the state.

The canal will provide the city with 300,000 cubic meters of water from the Yellow River daily.

Sichuan Phone Conference on Cotton Procurement

HK3011063489 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 28 Nov 89

[Text] Last night [28 November], the provincial government held a telephone conference on the late-stage cotton procurement work of the whole province. It clearly pointed out: The amount of cotton procured by our province this year must not, in any event, be less than last year.

Vice Governor Jin Hongsheng said at the conference: Due to the hard work of the departments at all levels and the cotton peasants, together with relatively good weather, output of cotton of our province is stable with a slight increase this year and its quality has markedly improved. However, owing to the fact that the season came late this year, cotton matured late. Together with some other subjective and objective reasons, the amount of cotton stored in all warehouses throughout the province by the 20th of this month was only 910,000 dan, a reduction of 16.9 percent over the same period last year.

Vice Governor Jin Hongsheng emphasized: All cotton production cities, prefectures, and counties must immediately make arrangements and step up the late-stage cotton procurement work. The procurement departments must organize personnel and send them deep into villages and peasant households to procure cotton. It is necessary to strictly implement the state policy and standard of cotton procurement, to improve the service attitude, to make it easy for the masses to sell cotton as far as possible, and to ensure the fulfillment of this year's quota for cotton procurement in our province.

Sichuan Water Conservation Project Nears Completion

OW0212064889 Beijing XINHUA in English
0242 GMT 1 Dec 89

[Text] Chengdu, December 1 (XINHUA)—The first phase of an expansion scheme on the ancient Dujiangyan Water Conservation Project, the largest of its kind in Sichuan Province, is near completion and will go into operation next month.

Construction of the first phase, begun in 1986, cost 70.2 million yuan. It includes a water control project, renovation of a 48.5-km-long canal, a head gate and expansion of an 11-km-long river course, said a project official.

Completion of the first phase will bring 40,000 ha of farmland under irrigation.

The Dujiangyan Dam irrigation system is an ancient project on the Chengdu Plain built more than 2,000 years ago. The system now waters one-twelfth of the total cultivated land in the province, especially after many stages of renovation and expansion since national liberation in 1949.

Local water conservation experts predict that the system will be able to irrigate 724,000 ha of land when the second phase of the project is completed in 1994.

As a leading grain producer, Sichuan Province has constructed more than 10,000 water conservation projects, with a combined water storage capacity of 10 billion cubic meters.

Tibet Stresses Agricultural, Livestock Development

HK2311112189 Lhasa Tibet Regional Service in Mandarin 1130 GMT 18 Nov 89

[Excerpts] The regional conference on production of agriculture and animal husbandry, which mainly discussed production tasks for this winter, next spring and next year, closed in Lhasa 18 November.

Attending the closing ceremony were Mao Rubai, ~~deputy~~ secretary of the regional party committee Deputy Secretary and permanent vice chairman of the regional people's government; Gong Daxi, vice chairman of the regional people's government; Lhalu Cewang Doje, vice chairman of the Regional Chinese People's Political Consultative Conference Committee; and responsible comrades from the general office of the regional government, the regional Agricultural Committee and different localities. [passage omitted]

It has been learned that the region's situation in agricultural and stockraising production this year is relatively good, and in particular, agricultural production is better than previous years. Preliminary estimates show that the total output of grain and oil-bearing crops will reach 547 million kgs, topping all previous records; of which grain takes up 5.325 kgs and [words indistinct].

Vice Chairman Gong Daxi delivered a speech at the closing ceremony, and stressed striving for a bumper harvest of agriculture and animal husbandry next year. He pointed out: Production of agriculture and animal husbandry is a matter of prime importance for the destiny of our country. We must, therefore, continue to strengthen leadership over agriculture and animal husbandry and concentrate our efforts on their development. He continued: Historical experience merits attention. We should not commit again the error of ignoring and underestimating agriculture and animal husbandry. We must bring about an upsurge in attaching importance to, supporting and developing agriculture and animal husbandry in the whole party and entire region, giving an important place to the development of agriculture and animal husbandry and working with concerted efforts to boost the production. [passage omitted] Gong Daxi also noted that efforts should be concentrated on developing commodity grain bases, especially those in Gyangze, Xigaze, Dagze, Gonggar, and Lhunzhub, thus increasing grain output by a large margin. [passage omitted]

Income of Xinjiang Peasants, Herdsmen Increases

HK2311100389 Urumqi Xinjiang Regional Service in Mandarin 1230 GMT 18 Nov 89

[Text] According to a survey among 140,000 rural households in 15 prefectures, autonomous prefectures and

cities of our region, higher output of agricultural production has again been accompanied by higher income. It is expected that the per capita income of peasants and herdsmen will go up to 508 yuan and will amount to 520 yuan plus their income from village-run enterprises. This will be a 5.3 percent increase over the previous year.

It is also anticipated that this year's total economic income of the region's rural areas will be 5.41 billion yuan, up by 8.2 percent over last year. There are two major reasons which have brought about the increase. One is the bumper harvest of grain and cotton, and the increase of the total income mainly from farm production, animal husbandry and [words indistinct]. The other is that the state has readjusted its purchasing prices of grain and cotton.

Yunnan Grain Procurement

40060016E Kunming YUNNAN RIBAO in Chinese 8 Nov 89 p 1

[Summary] As of the end of October, Yunnan Province had procured 541,170,000 kilograms of contracted and negotiated grain, an increase of 6,840,000 kilograms over the same period in 1988.

CPC Targets Corrupt Officials

40050692A Hong Kong KUANG CHIAO CHING
[WIDE ANGLE] in Chinese
No 203, 16 Aug 89 pp 48-51

[Article by Chen Yeshun (7115 2814 7311): "Eighteen Types of Corruption, Exposing Corrupt Officials"]

[Text] In Taking Aim at Corruption First Make an Example of Corrupt Officials

The CPC has made corrupt officials its first target: Following the June 4th Incident, in addition to party authorities uncovering elements that created rebellion, they also started taking aim at corruption in the party in order to quell public indignation. This has led to exposure of corruption and bribe-taking cases one after another in various provinces and municipalities. On 28 July 1989, the Central Committee's Political and Legal Commission made an unprecedented public disclosure of punishments it handed out in seven cases involving corruption. This force that has built up forebodes a coming storm and it looks as though corrupt officials in the CPC will finally be wiped away this time.

Nearly a Million Party Members Who Violated Law and Discipline Have Been Punished

Since the CPC opened up reform it has been lashing out nonstop at elements who violate law and discipline. The initial formula was to "rectify incorrect practices in the party," but, sadly, the more rectification that occurred, the worse the situation became and, in 1988, this turned into "corruption in punishment." According to statistics published by the Central Discipline Inspection Commission during the 13th CPC Central Committee, in the 5 years from 1982 to 1986 650,000 party members were punished for violating law and discipline, while, by the middle of 1989, nearly 1 million had been punished for these offenses, 900 of whom were cadres at province-army or prefecture-division levels. From 1982 through the end of last year, there 120,000 cases of bribery were uncovered nationwide, with 21,000 involving 10,000 or more yuan. In 1978 the corruption and bribery cases that dealt with more than 30,000 yuan and involving county-level cadres totaled 4,000 for the entire country, with 740 of these being exceptionally large cases. During the first half of 1989, an increase in corruption cases nationwide was evident. There were 926 serious cases investigated and handled by organizations for discipline inspection at the provincial level and, of these, 23 of the most serious were handled directly by the Central Discipline Inspection Commission. Sixteen of these cases have been completed or are awaiting final verdict. Deng Manfu, a cadre at the department level who is the director of the Qingjiang Development Company in Hubei and a party committee secretary, and Guan Wenbin, a deputy director at the department level who is deputy director of the Daqing Petrochemical Plant, were both punished because of their involvement in taking bribes and other corrupt practices. On 17 July the Central Discipline

Inspection Commission also issued a partywide bulletin on several corrupt members who violated party discipline and state laws.

Eighteen Types of Corruption

What does corruption in the CPC involve?

CPC senior statesman Chen Yun criticized many party cadres for violating laws. He categorized violations of law and discipline into the following types: speculation, profiteering, bribery, black-marketing, fraud, racketeering, tax evasion, the manufacture and sale of illegal drugs and alcohol, murder, and the sale and showing of pornographic videos and materials.

At the beginning of this year, the CPC Commission for Discipline Inspection entrusted the "party style and party discipline" task force of the State Science and Technology Commission's Center for Promoting Research and Development of Science and Technology in China and the China Social Survey Institute to carry out a large-scale random sample question survey. The survey group divided the law and discipline violations of CPC members into 18 categories and it appears to be the soundest outline of corruption in the CPC up to now.

These 18 categories of corruption are:

1. Using one's position to embezzle and take bribes.
2. Seeking benefit for oneself and friends through problems of recruiting workers, finding work, getting higher education, assignments, promotions, changing levels, agriculture transfer fees (the fee for switching an agriculture household registration to an urban one), and going abroad.
3. Neglecting duties and giving confused orders in domestic and foreign economic activities, thus causing confusion and creating serious economic losses.
4. Selecting cadres and appointing people by favoritism to form cliques.
5. Doing things slowly, shifting responsibility to others, and arguing over trifling matters.
6. Suppressing democracy, retaliating against others, and bringing false accusations.
7. Seeking honor through fraud and exaggeration.
8. Using public goods and funds as presents to obtain personal benefit.
9. Doing business by force and causing chaos in foreign exchange and loans and restricting goods in great demand in order to obtain benefit for one's children and relatives.
10. Using a position of authority to illegally use land, construction materials, and means of transport to construct private homes.

11. Being ostentatious and extravagant, parading one's wealth, and being wasteful.
12. Handling in a confused manner cases of degenerating morals and relations between the sexes.
13. Forming groups and partnerships that destroy party unity.
14. Gambling and prostitution.
15. Making big affairs out of marriages and funerals.
16. Engaging in superstitious activities.
17. Rigid thinking that opposes reform.
18. Opposing the four basic principles and advocating a capitalist class freedom.

What Do the Chinese People Detest the Most?

The results of the random survey showed that the Chinese people most detest party cadres "using their positions and authority to engage in corruption and bribery." They believe that the behavior with the worst effect is seeking profit for oneself, relatives, and friends by using the difficulties that people experience in recruiting workers, finding work, getting higher education, assignments, promotions, changing levels, agriculture transfer fees, and going abroad. The masses are most dissatisfied with party cadres' bureaucratic style of neglecting duties and giving confused orders in domestic and foreign economic activities, thus causing confusion and creating serious economic losses, and doing things slowly, shifting responsibility to others, and arguing over trifling matters. As you can see, the corruption and bribery of some CPC cadres is thought to be the major area of corruption by the masses and is the type of behavior they most detest.

Major Corruption Cases Involving 1 Million Yuan Are Nothing New

During the 1950's and 1960's there was very little corruption by CPC cadres, and corruption involving several thousand yuan was considered major. Shortly after the founding of the PRC, Liu Qingshan was executed for large corruption crimes that did not involve more than several tens of thousand renminbi. In comparison with today's major corruption cases, Liu Qingshan would be considered small fry. Corruption and bribery cases that involve several hundred thousand yuan and even several million yuan are nothing new in China today. Recently, many corruption and bribery cases have been exposed that involve a million yuan. For example, Liang Zhiguang used his job from June 1988 to January of this year as a clearing officer in the business department of the Construction Bank of China's Foshan branch to embezzle a total of 2.25 million yuan. When he was discovered, Liang Zhiguang took the money and fled to Macao. With the help of INTERPOL, he was arrested and returned during the last half of July 1989. Administrator Song Weijian of the Guangzhou Foreign Shipping

Company used his influence in the shipping of goods abroad from September 1986 to April of this year to acquire bribes from foreign merchants totaling 1.08 million in Hong Kong dollars. Hainan Province recently uncovered two major cases of people absconding with public funds that involved 2 million yuan; the criminals in these cases are currently being sought. Su Jinzhu, deputy director of the Luohu area Enterprise Development Company in Shenzhen Municipality, came to Shenzhen from the Yingde countryside in Guangdong Province 7 years ago as a pauper. In a few short years, using his position of authority to swallow up public funds, he is suspected of embezzling more than 1 million yuan. He was arrested at the end of July and there were 44 renminbi deposit books found at his home, listing deposits totaling 1.04 million yuan. Three Hong Kong deposit books were also found, with total deposits of more than 12,000 yuan. He also had gold, automobiles, and property valued at more than 1 million yuan. During its search, the inspection organ found that Su Jinzhu even had seven permits to travel to and from Hong Kong and Macao, a Hong Kong identification card, and a Hong Kong farming transit visa allowing him to return to his native village. This big embezzler who operated on such a vast scale was a real shock to people.

There Are No Scruples in Collective Crimes

Not only is the appetite of many embezzlers and bribe takers continually growing, but their gall is also increasing. In some cases, many people are collaborating in one unit and some criminal elements are even working together to commit crimes in purchasing, public security, justice, and industry and commerce.

At the beginning of July 1989, Beijing Municipality uncovered a corruption case thought to be the biggest in Beijing since the founding of the PRC. Criminal Shen Xiaoping, a purchasing agent in the equipment office of the China Academy of Sciences' Microelectronics Center, has embezzled 391,000 yuan in public funds since 1985. A total of 11 persons were involved in this case. In these few years Shen Xiaoping drew a total of 440,000 yuan in funds, but only purchased 41,000 yuan in items for the unit. He used false receipts to hide the remainder of the more than 300,000 yuan. The two deputy office chiefs clearly knew that there were problems with the receipts, but, because they received "benefits" from Shen Xiaoping, signed that they agreed with the submitted expense accounts which gave the green light to Shen Xiaoping.

The Fujian inspection organ, based on reports from the masses, uncovered a case this July of 16 party cadres in Taining County who were engaged in embezzlement and taking bribes. The amount of money involved was 300,000 yuan and, surprisingly, the chief criminal was county magistrate Wang Jinding.

A large embezzlement and bribery collaboration case was discovered during the first half of this year in Hainan Province. Criminals collaborated with officials

in industry and commerce, tax collection, justice, public security, and border defense organizations. The initial investigation involved 18 officials, of which nine are provincial department-level cadres.

Xin Mingjiu, manager of the Guangdong Province Power Bureau's fuel company, in collaboration with businessmen working under him, during the last few years used opportunities to purchase fuel coal and raised the price of raw coal without permission. From this action he received "sales commissions" totaling more than 130,000 yuan, which he divided with others. Xin Mingjiu has recently been arrested.

The Many "Official Corruption" Cases Are Showing the True Situation

Official corruption in China is complicated and difficult to deal with and has been growing in recent years. Party authorities talk about punishing corrupt officials every year, but little is seen in the way of results. During June and July of this year concerned departments, speeded up their uncovering of "official corruption" and have handed out punishments in several "official corruption" cases.

During his term in office, Zhang Shizhong, the former manager of the No 3 Textile Mill in the city of Kunming, Yunnan Province, and also holding a position as a party committee secretary, used opportunities provided by shortages in the cotton and yarn markets to collaborate with people to resell large amounts of cotton and yarn, making a profit of over 49,000 yuan. The Kunming municipal committee has withdrawn Zhang Shizhong's party membership and he has been legally arrested by the justice organization.

The Southwest Material Management Office of the China Coal Mine Uniform Allocation Company engaged in profiteering and speculation in many tons of electrolytic copper and other materials, making 1.68 million in illegal profits. The Chengdu Industry and Commerce Bureau confiscated this illegal income at the end of June. It has sent Zhang Guangwu, a responsible person from the company, and Yang Qiang, the deputy chief of the management section, to the justice organ to find out who is responsible for these actions.

During the first part of July, the Central Committee's Central Discipline Inspection Commission and the state Administration for Industry and Commerce uncovered a case of illegal cigarette purchasing by organizations from Guangxi and Hainan. This case exposed that 370,000 cartons of cigarettes had been resold for profits totalling over 3.337 million yuan. Specific people involved in this case are Zhou Chengyi, the manager of the Sanya Municipal Foreign Shipping Supply Company of Hainan Province; Zhou Longwen, deputy bureau chief of the Fang Chenggang Industry and Commerce Bureau in Guangxi; and two deputy managers of the Baise Municipal Tobacco Company. All were dismissed from their posts and punished.

Although the several "official corruption" cases above cannot be considered as "tigers" [in the five-anti campaign, a capitalist who is being attacked], but only as "small flies," the masses are still clapping and cheering. Many people say that at present we cannot attack the "tigers," so hitting more "flies" will be a good thing. According to government statistics, at the end of 1988 there were more than 195,000 types of companies in China, of which 60 percent are engaged in circulation-type businesses, and many of which have administrative authority and "official corruption" in their management authority. Some "official corruption" companies rely on behind-the-scenes support to break all resistance to fraudulent buying and selling and are doing it in an extremely reckless manner.

As for the five companies that allegedly have the strongest behind-the-scenes backing: "Kanghua" (the Kanghua Development Company), "Zhongxin" (the China International Trust and Investment Company), the Guangda Company, the Industry and Commerce Company, and the Agricultural Trust and Investment Company. The Central Committee decided to conduct an inspection of these companies last year, but ran into layers of resistance. According to reliable information, some of the problems discovered in companies so far are: Sloppy account keeping; confused contracts and serious disruption of economic activities; acting for others in creating conditions or attaining projects, and obtaining large amounts of money for these services.

Collective Consumption Figures Are Astonishing

Extravagance and waste is one of the major areas of current party corruption. The practice of having good food and drink, vehicles, and the sending of gifts is rampant in many units. Since the money expended for these things comes from public funds, it is called "collective consumption." Some who are spendthrifts with their personal money will squander public funds in a shameless and calm manner.

Importing Vehicles To Show Prestige

In recent years a "violent typhoon" has been stirred up from the Central Committee all the way down to localities for importing small automobiles. Departments strive to be first in importing small foreign automobiles, and various well-known as well as lesser-known brands are swarming in. According to incomplete government statistics, the number of these vehicles imported in 1983 totaled 5,800, 21,000 in 1984, more than 100,000 in 1985, and 39,000 in 1986, for a 4-year total of more than 165,000 vehicles, costing more than \$1 billion in foreign exchange. Many leaders feel that the better the name brand of vehicle they import, the more "style" they have and the better they look. As a result, many officials from poor counties are not willing to ride in jeeps, and, sadly, they spend 10,000 or more importing vehicles to ride in and to show off as an "imperial crown." Even now, there are many towns that cannot be considered prosperous

that follow the fashion of purchasing vehicles to show the prestige of town and county leaders.

Each year the CPC cries out to stop the importing of vehicles, but their actions are ineffective. However, this year progress has been made in this area. At the beginning of July, some cases of illegally importing vehicles were uncovered and publicized. Between January and October of last year the city of Deyang in Sichuan Province illegally purchased 261 small automobiles that some cadre profited from by reselling and also engaged in bribery and embezzlement. As of the end of July, the office conducting the investigation had confiscated 83 of the vehicles and issued fines on 148 other vehicles. There were 15 party members who were either arrested or who received party or administrative disciplinary punishment.

The Astonishing Trend Toward Pleasure-Seeking

Pleasure-seeking is becoming widespread in China. Last winter a specialist from the Ankang area of Shanxi Province, prior to his transfer as the head of the Shanxi Economic Committee, used this notification as a reason to have banquets (farewell banquets) at many subordinate units. He went from unit to unit, attending these affairs and also demanding gifts. The time spent at this totaled 51 days, with 50 units holding banquets for him.

At the end of June 1989, Fujian Province uncovered a large case of wanton spending and waste. The Fuzhou Municipal Electronic and Communication Equipment Company utilized its control of communication and electronic equipment to squander 359,000 yuan. Included in this amount was over 101,000 yuan spent on pleasure-seeking, more than 70,000 for sending gifts to leaders of supervisory departments, and more than 132,000 yuan was randomly issued under various concocted pretexts.

The pleasure-seeking practices of Guangdong Province have very possibly become the "most acute in the nation." Use of public funds for entertainment has become a common occurrence and feasts where the cost of one table exceeds 1,000 RMB [renminbi] can be found everywhere.

Using Authority for Personal Gain and the Construction of Personal Residences

In the corruption phenomena recently exposed by the CPC, the situation of using authority to seek personal gain and to conduct large-scale building of private residences has also severely shocked people.

Public disclosure of investigations by Zhejiang Province at the beginning of July showed that in recent years the practice of building private homes by cadres has flourished, with two-thirds of the cities and prefectures being involved. The practice of illegally building private residences has been most prominent by cadres in some 10 counties. Sanmen County had 248 cadres build private

homes, which is 44.5 percent of the party and administrative cadres in the province and 11 of these are county-level cadres.

The practice of building private homes is also very acute in Henan. Many local, county, and city leading cadres live in spacious public housing and also lead the way in building personal residences. The most recent survey showed that in only 3 years' time as many as 2,252 cadres arbitrarily built personal residences and country homes. Many of these were indiscriminately built on farmland, but the peasants did not dare say anything against the cadres. Sixty percent of the deputy county-level cadres in Qinyang County have built personal residences, almost all delegates to the NPC [National People's Congress] and CPPCC [Chinese People's Political Consultative Conference] have built personal residences, and it is not a major problem for leaders in the county committee to have private residences built.

When Those Above Behave Unworthily, Those Below Will Do the Same

The majority of the corruption now being exposed in China is occurring at the county and municipal level; cases at the provincial level are in the minority. Basically no corruption has been uncovered at the Central Committee level.

With this being the case, where does the origin of the corruption lie? One popular view is that "when those above behave unworthily, those below will do the same." Much of the corruption is related to those above: Subordinates learn corruption from superiors, and some corruption by subordinates cannot be stopped by their superiors. Therefore, the root cause still lies with those above.

On 16 June, during a conversation between Deng Xiaoping and Yang Shangkun and others, Deng admitted that the root of corruption lies in the upper levels of the party. He said that with regard to punishment for corruption "why this problem has not been carried through satisfactorily may be because many upper-level party cadres or their families fall into various traps. There has been much discussion about this question for several years. The reason there has not been much in the way of results concerning it may rest with the upper levels of the party."

Recently, the Political and Legal Commission of the CPC decided to implement in the near future seven measures developed by the Central Committee. The intention of this is good, but will it be able to fundamentally dish out punishment for corruption? Now is not the time to jump to wrong conclusions. To establish an honest government we must stress rules and regulations, supervision, and management. Imperfect rules, regulations, and measures can be a breeding ground for corruption, and imperfect education and economics will also promote corruption factors. Facts have proved that the past method of relying on movements by the masses to deal with corruption is effective only for a short time,

and, after the movement, things revert back to the same old way. Therefore the most crucial thing is to strengthen the legal system in China and to put restrictions on power to prevent abuses of authority. At present, China has no laws or political power to effectively control politicians. Only by strengthening the legal system can the Constitution be utilized to supervise and control people who hold power. Only in this way can the corruption of some officials and, especially, high-level officials be thoroughly controlled.

Differences Underlined Between Western, Socialist Literature

*HK1411031989 Beijing RENMIN RIBAO in Chinese
7 Nov 89 p 1*

[Article by Hu Daiwei (5170 0108 3555): "Correctly Use Western Modern Literature and Art for Reference"]

[Text] Marxist theories of literature and art and socialist art and literature should continuously draw on the art and literary nutrients and the scientific art and literary theoretical fruits produced in ancient China and from foreign countries to enrich and develop themselves. Here comes the question of inheritance and use for reference.

In recent years, we have introduced some literary and art works of Western modernism and some Western theories of philosophy, aesthetics, art, and literature. This is beneficial for activating the literary circles and has improved the academic atmosphere of the literary and art circles, stimulated art and literary thoughts, broadened our view, enriched and improved the writers' and artists' way of expression as well as their skills. Now art and literary theorists can study art and literary questions from different viewpoints and side views. However, some of our art and literary theorists are not clear about the purpose of using Western theories for reference; they hold an incorrect attitude and use improper methods. They have really produced some problems that merit our attention.

Recently, literary and art works of Western modernism and modern Western philosophy, aesthetics, art, and literary theoretical works have been issued and published in great amounts. Our art and literary theorists have blindly advocated the art and literary works of Western modernism without much analysis. They have not at all pointed out their harm and their harmful effect on readers. In this circumstance, it is, of course, impossible to concretely point out the recognizable value of these works and the things that should be referred to for our absorption. Some of our writers and artists have worshipped and intentionally imitated works of Western modernism without analyzing them, while some art and literary theorists have highly commended a number of "bad-quality" works, and spoken highly of them, calling them "new ideas," "breakthroughs," and "quality works." Some art and literary theorists have even wildly bragged about the philosophical views and aesthetic

theories such as Sartre's existentialism, Freud's psychoanalysis, and Nietzsche's superman, regarded them as new theories, new ideas, and new concepts, and "promoted" them without further analysis. For this reason, these Western theories have had a tremendous impact on the Chinese literary circles. There are three current crazes in China, namely, the craze for Sartre, Freud, and Nietzsche. During this time, some of our theorists are so crazy about them that they cannot cool down. Therefore, they have not mentioned even a word about the idealist substance of these theories and the negative effects naturally proceeding from them. Are they actually using them for reference? They are simply transferring the whole tenets of them. In this respect, our artists and writers, art and literary theorists have not used others' material to create their own. They have only copied them.

The imitation of Western philosophy, aesthetics, art, and literary theories is manifest on the surface and can be easily distinguished. There is another aspect more worthy of our attention. That is, some art and literary theorists have distinguished themselves by putting forward new theories. They have combined various theories, reconstructed them, and decorated them with a number of beautiful-sounding words and new jargon. They have thus "created" many a new theory. Their basic contents and ideas have been copied from Western theoretical ideas. They have only used a different vocabulary, changed some wording, and repeatedly and annoyingly elaborated and written commentaries on them. Then they boost their uniquely created "new ideas." As a matter of fact, the so-called new theories have nothing new in them. They are basically Western theories with some modifications. I do not think that we are actually using for reference modern Western literature and art and their theories whether we openly introduce them or stealthily copy them.

Under the influence of people blindly introducing Western art and literature and their theories, there have appeared some vicious tendencies and incorrect theories in literary and art circles. Some theorists, artists, and writers have overexaggerated the meaning of literary themes while neglecting the importance of the objective social life, as reflected by writers and artists, in creation. Some people even have attacked the theory of reflection in Marxist literary theory and called it mechanical materialism or metaphysics. Some writers and artists have scorned the social life under the surging trend of reform and under the vigorous development of socialism. In their works, they have paid very little attention to the times and reality. They are fond only of expressing their personal sorrows or depression or depicting strange and interesting tales, exotic customs, and flora. Some are keen on depicting the primitive life in ancient times or in primitive wilderness. Some theorists have spoken highly of these works. There are still some people who are putting forward the one-sided "distance theory," laying down the theoretical basis for these creation tendencies. They say that by keeping a distance from time and life,

they can produce excellent literary works that will last for long. Some writers evade topics that have to do with the society and education. In their works, they will try their best to exclude anything social, political, educational but devote their energy to expressing and depicting the minor details of life. They seek only after unsearchable emptiness, or intentionally embellish their works, or show up their writing techniques, disregarding the emptiness of the content. What they want are beautiful words. Some works are so vague that no one will know what they say. They are all meaningless. Even writers and literary experts are not able to understand them. However, some commentators have praised these works, saying that they have attained a very high literary level, possess much aesthetic value, and are timeless literary works. On the other hand, they have rejected the excellent works that have been produced in the literary history and that are well loved by the masses. Influenced by Freud's "inner stratum psychological structure," some intentionally depict men's natural instinct, primitive instinct, and awareness of existence. Some theorists love to preach abstract human nature and abstract human love. When introducing literature and art of western modernism, some writers and artists have departed from the reality of our socialist social reality and specialized in copying the works of some western modern schools. In their works, they have created some solitary, redundant, morbid characters or those who cannot distinguish between good and bad.

In these circumstances, although it is only a minor aspect of literature and art that people indiscriminately and without analysis copy art and literature of Western modernism and non-Marxist art and literary theories, it has aroused our close attention. We should pursue the following: First, we should objectively and thoroughly analyze Western modern art and literature, and Western non-Marxist art and literary theories, affirm the scientific part and the part which can be used for reference, studied, and absorbed. Moreover, we should pay attention to criticizing their unscientific and decadent nature, and criticize the harmful part which will corrupt the souls of our people.

We should also concretely analyze the situation in which the art and literary circles are introducing Western art and literature. We should affirm the results and achievements of the writers, artists, and theorists who have a correct attitude toward using Western art and literature, and who have made good results. In addition, we should base our criticisms of the tendency toward blind imitation on reasons and evidence. We should also rectify the errors and confused ideas among our art and literary circles by reinforcing understanding. When criticizing the negative effects of theories of Western modernism and non-Marxist art and literary theories, we should vigorously propagate Marxist literary theory, the superiority of socialist art and literature, and their great achievements. This is an important task for our literary and art theories.

TV Reviews Development of Broadcasting Services

*OW0611153289 Beijing Television Service in Mandarin
1100 GMT 3 Nov 89*

[Video report reviewing the development of radio and TV service in the PRC; from the "National News Hookup" program; video begins with still photos of Xinhua Radio Station operating from a cave in Yanan 49 years ago; cuts to shots of radio station equipment and announcers and technicians at work; scenes of foreign countries, international events; shots of TV monitors and dish antennae and closeup of China's first black and white TV set; video ends with shots of people viewing TV in their homes and Chinese and foreign officials signing documents]

[Text] In recent years, people in areas where conditions permit it have made it a practice to tune in daily to the Central People's Broadcasting Station, listening to its morning "News and Press Review" program and its evening "National Hookup" program. This indicates that people have become very concerned about major domestic and international events. It also shows the growing enrichment of the people's spiritual life. This is the result of hard work by more than 300,000 radio and television workers.

On 30 December 1940, a clear voice came from a cave in the vicinity of the sacred revolutionary base of Yanan announcing that the Yanan Xinhua Radio Station had begun service. This voice penetrated the night sky, notifying the entire world of the birth of a radio service for the Chinese people under CPC leadership. The birth of New China opened broad prospects for the development of a people's broadcasting service.

After 40 years of hard work, China has basically set up a broadcasting network of socialist modernization with Chinese characteristics that extends from the central to local levels. Excluding Taiwan, 461 county-level radio stations had been set up in China by the end of 1988. These stations broadcast 568 programs for a total of 19,700 hours or more daily. In addition, China has established 2,546 wire broadcasting stations. Together with wireless broadcasting, these stations form a nationwide radio network. Statistics show that China has more than 260 million radio sets and over 82 million wire broadcasting loudspeakers.

Beijing Radio's foreign service has carried programs in 43 languages since its inception in 1947. It broadcasts to various parts of the world for a total of 146 hours daily. The service places third in the world in terms of the number of languages and hours broadcast. Audiences have applauded the service as a friendly bridge between the Chinese people and the people of other nations.

Since the founding of China Central Television Station in 1958, television service has developed rapidly in China. By the end of 1988, China had 422 television stations broadcasting 465 programs daily. On the average, these stations are on the air for a total of over

2,600 hours daily. There are now 140 million television sets in China. Television has become an intimate spiritual companion of the people.

Owing to the gradual modernization of production and broadcasting techniques since China adopted the reform and open policy, radio and television have become excellent tools of news transmission. According to surveys done by relevant departments, 80 percent of major news of recent years has been transmitted to the people through radio and television broadcasts. Thanks to live satellite and microwave transmissions, people can now witness many domestic and international political events and major world athletic competitions.

Radio and television also have a great impact on the people because they convey the voice of the party and

government and reflect the needs of the people. The services have become a bridge linking the party and government to the people.

Friendly exchanges of radio and television services between China and other countries have expanded continuously in the past 40 years. Beijing Radio's foreign service has set up 16 permanent stations in 15 nations and regions. Chinese radio and television departments have forged business links with their counterparts in more than 80 countries and regions, thereby enhancing understanding between the Chinese people and the people of other nations and widening China's influence in the world. China's radio and television services are playing an increasingly important role in educating, inspiring, and uniting the people for the grand cause of jointly building a strong and modern socialist state with distinct Chinese characteristics.

Effect of U.S. Sanctions on New Fighter Explored*90ON0126C Hong Kong KUANG CHIAO CHING
[WIDE ANGLE] in Chinese No 204, 16 Sep 89 p 65*

[Article by Ling Yu (0407 1342): "Effect of U.S. 'Sanctions' on China's Newest, Most Sophisticated Fighter"]

[Text] In a previous stage, the U.S. Government announced that it was pigeonholing military exchanges between the United States and China and was stopping the export of weapons to China. What effect has this had on the Chinese military? It is reported that the greatest effect was on the U.S. Grumman Corporation's plan for the improved avionics system on China's Jian-8II fighter, a plan worth \$550 million. The plan for the modernization of the Chao 7 fighter into the Jian-7M, on which there was a great deal of cooperation between this corporation and the Chengdu Aircraft Corporation also faces the fate of being stillborn.

Not long after the 4 June incident, the biennial Le Bourget Aviation Exhibition in Paris, which is extremely important to the world's air and space industries, was held. With the same enthusiasm as in the past several years, China set up an exhibit stand. At the "China Aircraft Technology" exhibit stand this year, what attracted attention was that for the first time the Shenyang Aircraft Corporation's Jian-8II was exhibited. The only effect of the 4 June incident on the Chinese exhibit was that, compared to the Fasibor Aviation Exhibition in Britain the year before, it was not frequented by foreign traveling traders observing and negotiating.

Cui Degang [1508 1795 0474], deputy chief designer-engineer of the Shenyang Aircraft Corporation, who attended this aviation exhibition, told reporters that U.S. sanctions have had an effect on the Chinese Air Force, but they do not constitute an obstacle to the China National Aerotechnology Import and Export Corporation [CATIC]. During the exhibition he received some inquiries concerning the Jian-8II, but so far there has not been a real buyer.

The Grumman Corporation's original plan was to refit the Jian-8II fighter with Westinghouse's AN/APG-6 radar and modernized fire control system, inertial navigation system, horizontal display deck, and mission and atmosphere data bank. The prototypes of two Jian-8II's and one model of the fuselage have already been transported to the Grumman Corporation in the United States. A 24-man Chinese delegation earlier arrived at the Bethpage factory of the Grumman Corporation to learn on the job. In the delegation were engineers and technicians and also Liberation Army Air Force officers. None of them has yet obtained permission to enter the factory.

China's original intent was to have Grumman improve and assemble 50 Jian-8II's and supply reserve parts for five of them. At the same time, it agreed to the U.S. request to deploy these 50 improved aircraft only on the

Sino-Soviet border. Therefore, the effect of U.S. sanctions on the sales by CATIC of the Chinese-made Jian-8II has not been great. According to Cui Degang, China has now built about 20 Jian-8II's. The avionics equipment with which this batch of aircraft is fitted was all made in China. According to a XINHUA report at the beginning of 1989, this batch of aircraft is already combat effective and operational units have been equipped with them.

Under the fuselage of the Jian-8II exhibited at Le Bourget Airport was fitted a double-barrel 23-mm cannon, thought to be a copy of the Soviet GSH-23, which holds 200 rounds. On each wing were three pylons; in each inner and each middle pylon was fitted a short-range Thunderbolt B air-to-air guided missile, and fitted on each outer pylon was an unguided cluster-rocket launcher. On the ventral line was an old-type bomb pylon, similar to that with which the U.S. forces were equipped with during the Vietnam war. But, according to what was disclosed by Chinese aviation departments, China has already equipped the Jian-8II with a medium-range air-to-air guided missile. It is not known whether this guided missile was developed by China itself, or is the Aspide imported from Italy.

The Jian-8II is powered by two Type 13 turbojet engines. According to Cui Degang, the thrust-weight ratio of the fighter is about 0.91, its maximum speed is Mach 2.2, and its performance "overall is superior to that of the MiG-23."

Unit's Officers Lead by Example*90ON0126B Beijing SIXIANG ZHENGZHI
GONGZUO YANJIU [RESEARCH IN
IDEOLOGICAL-POLITICAL WORK] in Chinese
No 8, 8 Aug 89 pp 39-40*

[Article by Song Weifeng (1345 0251 1496): "Effect of Teaching by Example"]

[Text] An important principle of ideological and political work is that, in integrating teaching by example with teaching by precept, the former is stressed more than the latter. Then, in the final analysis, how much effect does teaching by example have on the fighters? Cadres of the 7th Zhongdui, 2d Detachment, Jiangxi Armed Forces Police Headquarters, summed it up in four sayings: If the officers are straight, the men will not be crooked; if the officers are strict, the men will not be disorderly; if the officers are industrious, the men will not be lazy; and if the officers are close, the men will not be loose. These sayings are tentatively called "the effect of teaching by example." It was precisely this effect that caused the 7th Zhongdui, which in 1982 was ranked in last place in the detachment, to become in one leap an advanced zhongdui in the police headquarters and to be given a Collective Citation for Meritorious Services, Third Class.

If the Officers Are Straight, the Men Will Not Be Crooked

In the past some cadres of the 7th Zhongdui did not distinguish what was public and what was private, and were fond of getting small advantages from the state. If a pig was slaughtered they would take a "porker down river," and on the weekend they would take some vegetables back home. Since the officers were not straight, the men became "crooked." Many fighters did not eat out of "one big pot" and wanted to stir-fry "a small pot of food." The condiments that the provisioner bought and brought back in the daytime were all stolen in the evening. What happened to the meat sold to the mess hall was even stranger: The mess hall squad ate meat, the headquarters squad ate skin, and the combat squad could only drink soup. After the cadres were readjusted, the party branch laid down three rules for them: It is forbidden to buy things from the kitchen; it is forbidden to use public funds to buy articles for individual use; and it is forbidden to receive presents from the fighters. After this, in the mess hall the cadres did not take one onion or buy one liang of edible oil; when the cadres' family members came to the zhongdui, they, like the fighters' family members, divided up one share of cooked food for their meal in the mess hall; and the money for the fountain pen ink and for glue used by the cadres came from the individual's own pocket. Once, Young Jiang [3068], a fighter, on returning to his unit from home leave, brought 3 jin of Xianggu mushrooms produced by his family and gave them to three zhongdui cadres. Without prior consultation the cadres sold the mushrooms to the mess hall and gave the money derived therefrom to Young Jiang. The process by which the officers were made pure and upright greatly shook the fighters, especially the "crooked" ones, and gave them a profound education. Some men who originally liked to go to the kitchen and get some things, consciously stopped going; the hot plates used to stir-fry one-pot dishes were quietly thrown away; and the phenomenon of "those in the waterfront pavilion getting to eat first" was thoroughly corrected.

If the Officers Are Strict, the Men Will Not Be Disorderly

In 1987, of three zhongdui cadres of the 7th Zhongdui, one agitated for a transfer, one wanted to be transferred to civilian employment, and one ran home by devious routes. For the zhongdui's work there were no monthly plans nor weekly arrangements, and everyone did what he wanted to do. Since the officers had become slack the men became disordered. At that time, the problems of the zhongdui were the "two manys": many telegrams requesting leave, as many as three came in one day; and many cases of pilfering, for example, when someone went to sleep at night his clothes were placed at the head of his bunk, and the next day all that was left was a key and a belt. When someone went into the common bathhouse he left his cap in the outer room. On returning from his bath he was unable to find the insignia on his cap. When Young Hu [5170], a fighter, was demobilized,

because so many public goods and materials had been lost, after compensation was paid for them, only 4 yuan were left for his traveling expenses to his hometown. In 1988 the cadres devoted themselves heart and soul to their work. Zhang Baogang's [1728 1405 0474] home is in Nanchang. In 3 years he took only three weekend passes. After a miscarriage, his wife had a massive hemorrhage. She was hospitalized for more than 2 months, during which he saw her only twice. Political instructor Gao Jianguo's [7559 1696 0948] father unfortunately became paralyzed, and his weight of a little over 100 jin dropped to only a little over 70 jin. Three times Gao put off taking leave. At yearend, at the urging of all cadres and fighters in the unit, he finally went home. While being strict with themselves, the cadres strictly and impartially enforced regulations. In line with the "Regulations for Administration and Management," more than 40 detailed rules for management were laid down, and for the management of the zhongdui's public goods and materials the responsibility system of "hanging out one's shingle" was put into practice. In this way a very big change was effected in the unit's general mood. There were no telegrams requesting leave. In 1988, three telegrams were sent to the unit and only one requested leave. The fighters who received the telegrams time and again told reporters to "keep it secret." They said: "The cadres have more difficulties at home than we do. If they were to let us go home we would be embarrassed." There were no more acts of pilfering. In all of 1988, not one pair of socks was lost, and the zhongdui transported a little more than 80,000 items of clothing and equipment for the provincial public security department without the loss of a single item.

If the Officers Are Industrious, the Men Will Not Be Lazy

In the past, the men of the 7th Zhongdui were usually lazy. For a little over 50 persons, the nine mess personnel could not serve meals on time. The pig feeder only fed the pigs once a day. The hungry pigs escaped from the pigpen, and soon the hills were covered with pigs running about in confusion. The vegetable planter planted but did not cultivate, and in the vegetable plot the weeds were taller than the vegetables. The zhongdui overspent on production expenses, mess expenses, and odd-job expenses; at the end of each month it had to borrow money to buy rice. To change this indolent state of affairs, the zhongdui cadres led the fighters to a hilltop to level a vegetable plot of more than two mu. A responsibility system was instituted. The cadres formed one team and the fighters another team, and between the two teams there were competitions for "awards for overfulfilling production targets." In 1 year the zhongdui produced a total of more than 25,000 jin of vegetables. With so many vegetables, the cadres, thinking of "not letting vegetables rot in the busy season and not being short of vegetables in the off-season," began pickling more than 20 jars of leaf mustard, kidney beans, cucumbers, and other vegetables. Planting good "vegetable gardens" and filling "vegetable baskets," the cadres took turns helping

in the kitchen, preparing food, and studying the "color, smell, and flavor" of stir-frying. The cadres acted on unvoiced orders. The fighters, when they had a break, would rush to a vegetable plot, and if there was time they would walk around a pigpen; after work and dinner, they would find something constructive to do. A fighter named Lou Kangming [2869 1660 2494], when the officers were lazy, had three fears: getting up, standing sentry, and being exposed to the sun. He now regularly gets up ahead of time to sweep his area and attend to personal hygiene. Sometimes, after standing sentry, he goes to his "responsibility plot" to thin out seedlings and pull up weeds. In 1988 the 7th Zhongdui had an income of more than 12,000 yuan, mainly from raising pigs and growing vegetables, and it changed from a "household in difficulty" to a "ten thousand yuan household." There has also been a great change in the zhongdui's mess, which has now reached the standard stipulated by the General Logistics Department.

If the Officers Are Close, the Men Will Not Be Loose

During the 1987 Spring Festival, the cadres walked away and slipped out. Outside the military camp was a bustle of noise and excitement, but inside the camp there was calm. The fighters ate the lunar new year beginning meal. When the veterans were demobilized, seven or eight fighters who had not yet joined the CYL [Communist Youth League] called for a solution to the organization problem. Some cadres responded with indifference: "So what if all of you are not CYL members." As the officers were not concerned about the men's difficulties, the men felt that the officers were not amicable and that there was no warmth in the zhongdui, and so by various means they got outside the zhongdui. After dinner they took a walk to the county seat, 5 kilometers away, to see a motion picture. On holidays and Sundays, they thought of returning home. In the one year of 1987, 23 men returned home without permission, and the cadres didn't have the least inkling of this. In 1988, after the cadres were readjusted, they made a point of treating the men with affection. When a fighter was ill, a cadre would find out what he liked to eat and then personally go to the kitchen and prepare the sick-call food. The zhongdui bought candy, watermelons, and sugared mandarin oranges, letting the fighters have first pick of them. In the barracks, bedbugs disturbed the fighters' rest. In the middle of night some of them would move their bunks outside, making a lot of noise. Without scolding them or getting angry, the cadres had them put all the bunks in one room, after which with fumigants and spray insecticides they exterminated the bedbugs, thereby ensuring a sound sleep for the fighters. When it rained, the barracks leaked. The cadres and repair team put in extra hours to fix the leaks, after which they were covered from head to foot with lime and mud. To build closer relations with the fighters' families, the zhongdui published a periodical entitled XIAO GANLAN [SMALL OLIVE], and mailed each monthly issue to the fighters' families to keep the heads of household abreast of the fighters' situation in work, study, and life. With a human touch

the cadres in all things are concerned about the fighters, and they firmly draw the fighters to them. The fighters open their hearts to the cadres, talk with the cadres, and let the cadres act as "staff officers" for fixed objectives. If there are difficulties back home, they ask the cadres to note them, and they are willing to discuss with the cadres matters that are difficult to bring up. The men open their hearts to the officers, and the officers look into the men's affairs. Ideological work has taken on a predictive nature and a focused nature. Five backward fighters were transferred to the zhongdui from other units; one became a squad leader, one was admitted to the CPC, and three received awards. When a mobile group conducted an exercise in defending against explosions, the 7th Zhongdui sent 42 men to handle the mission of guarding the exercise. Comrades observing the exercise in unison voiced their praise: These fighters are just as serious and conscientious as "protocol guards." Young Zhou [6650], a flagman, boarded the wrong bus. Getting off the bus he ran about a dozen li, carrying his flags and arrived on time at the designated place, thereby ensuring the smooth running of the exercise. When educating, rectifying, checking, and accepting, the leaders of the zhongdui and the detachment made five unannounced inspections of the zhongdui. They all said one thing: The 7th Zhongdui is a unit that achieves its goals.

Air Force Achievements Hailed

*HK1511034189 Beijing RENMIN RIBAO in Chinese
10 Nov 89 p 5*

[Article by Sun Maoqing (1327 5399 1987): "A Group of Glistening Stars"]

[Text] In a period of 40 years from 11 November 1949 to the present, various arms of service of the people's Air Force have defended the territorial sky of the motherland.

Our country started developing its aviation weapons in the 1960's. Now, most of the aircraft of our Air Force are produced by ourselves. Now, the number of aircraft is 44 times the number of the period shortly after the founding of New China. Ours is a country with a fairly large number of aircraft in the world.

The ground-to-air missile force, which is called Sharp Sword [li jian 0448 0494], was established on 6 August 1958. On 7 October 1959, it won the first battle, which declared the bankruptcy of the fanatic boast of "air superiority" by the imperialists. It set the first example in world history of air defense using ground-to-air missiles to shoot down intruding military planes. In the subsequent air battles, this missile force successively shot down 10 U-2 high-altitude spy planes, robot reconnaissance planes, and other military aircraft.

The ground-to-air missile unit of the Chinese Air Force now possesses the capability of intercepting air-to-ground missiles. It can accomplish various kinds of air-defense operational tasks in key areas, along the borders, and on islands. With the constant updating of

weapons and facilities, our ground-to-air missile unit will gradually develop its all-airspace powerful combat capability at high, medium, and low altitudes, covering short, medium, and long ranges, and expand its air defense operational strength.

The radar operators unit of the Air Force was established in September of 1949. It is an arm of the service responsible for collecting information from the air. In early 1950's, it established its first information-monitoring center with Shanghai as a center. It now uses radar rather than relying on visual monitoring. Dot deployment has been expanded to a radar security line. The regional radar information linkup has now been developed into nationwide information networks which have basically covered the territorial sky of the whole country.

Airborne force was established in September 1950. During the past 40 years, it has been developed into a modern force consisting of infantry, artillery, communications units, engineering force, antichemical warfare corps, and so on. Cooperating with land forces, Navy, Air Force, local troops, and people's militia, our airborne force has conducted various kinds of combat exercises in various parts of the motherland.

PLA Factory Improves Staff, Worker Morale

90ON0126A Beijing SIXIANG ZHENGZHI
GONGZUO YANJIU [RESEARCH IN
IDEOLOGICAL-POLITICAL WORK] in Chinese
No 8, 8 Aug 89 p 38

[Article by Guo Dong (0948 2639) and Sheng He (516B 3109): "Concentrating Efforts on Cultivating the '4-2' Spirit"]

[Excerpt] PLA [People's Liberation Army] Factory No 3542, making the cultivation of the "4-2" spirit—understand, unite, seek truth, and fight; first rate and high speed—its main line in enterprise ideological and political work, is concentrating efforts on cultivating its staff's and workers' group consciousness for making vigorous progress. When inspecting this factory, Guan Guangfu [7070 1684 1381], secretary of the Hubei Provincial CPC Committee, pointed out, "Under the present difficult circumstances, there is a great need for spiritual support. Your practices both display the glorious traditions of the Liberation Army and conform to the spirit of reform and opening up to the outside world."

The factory's main practices are:

—Formulating construction blueprints and giving staff and workers long-range education. The factory divided its overall plan for project construction into goals to be achieved in stages. The factory's appearance after completion of the construction was depicted in a huge painting for the staff and workers to see and bear in mind. The first shift of staff and workers to enter the factory looked at this blueprint, which was

personally explained by the factory director. From it the staff and workers saw both the factory's prospects and hopes and the heavy burden on their own shoulders, thereby engendering an image of consciously safeguarding the enterprise and a spiritual force to make more contributions to the enterprise.

—Working, from top to bottom, to respect, understand, and be concerned about people, and establishing a new type of enterprise-people relationship. The leaders of this factory in work put a lot of emphasis on displaying nonpower effects, that is, exchanging logical ideas, fusing sentiments, and pressing close to the heart. Inside the factory, the higher level understands the lower level and vice versa, and everyone is on intimate terms and works in unison; outside the enterprise, the leaders stress understanding the difficulties of the higher level, fraternal factories, and clients, and, within their power, they provide support and help. Leaders at all levels in the factory regard their own work posts as being at the same time ideological and political work posts, and discover in a timely manner the ideological moods of the staff and workers and conduct timely exchanges.

—Insisting on inculcating in subtle ways the enterprise spirit. This factory stresses its long-term production and management activities, and accumulating, initiating, and fostering enterprise experiences; stresses what is done outside the normal 8 hours; and pays detailed attention to training and guidance. This year the factory is focusing on the "three styles and four appearances," namely: party work style, cadre work style, and factory work style; spiritual appearance, factory appearance, civility and courtesy, and new production features. The factory has called on everyone to cultivate civility, hygiene, and the consciousness of collectivism, so as to bring credit to the "4-2 people."

—Displaying the original role of the CPC, trade union, and CYL [Communist Youth League] and paying attention to solving the actual problems of staff and workers. The factory's CPC Committee, trade union, and CYL committee, making a point of displaying their own superiorities, have made real accomplishments in ideological and political work. They have organized the staff and workers in their spare time to carry out recreational and sports activities and to compete in calligraphy, painting, and photography, thereby making education a pleasure. Out of its profits the factory took a little more than 300,000 yuan for use in the staff's and workers' living allowances and welfare. [passage omitted]

Importance of Fighting Capacity Stressed

HK1511072389 Beijing JIEFANGJUN BAO in Chinese
3 Nov 89 p 3

[Article by Wang Cunzhu (3769 1317 6999): "Attaching Importance to Macro-Application of Fighting Capacity Criterion"]

[Text] The enlarged meeting of the Central Military Commission that was held last year pointed out that it is necessary to take the enhancement of fighting capacity as a starting point and underlying objective of army reform and building and as a fundamental criterion for examining all army work. This issue has been raised for the following reasons: First, since the shift of our army work to the track of construction in peacetime, the idea of our Army as a fighting force has gradually become blunted among some comrades and the consciousness of fulfilling the fundamental functions of our Army has weakened to some extent. Second, nonfunctional work has increased day by day. Not doing it is bad, but doing it poorly is even worse. Third, on various work relationships, there are also some contradictions adversely affecting fighting capacity. Numerous phenomena show that, given the new situation, if we do not pay attention to the fundamental functions of the Army and to the fighting capacity criterion, army work will be thrown into chaos, and army building is likely to deviate from a correct orientation.

In setting the fighting capacity criterion, we should first look at the macro angle and the overall situation of army building. Our aim is to use this to make overall arrangements for various work, straighten out internal relations, solve all kinds of contradictions, and promote army building in an all-round way with modernization as the center. Therefore, when we put the fighting capacity criterion into practice, we should also pay attention to its macro-application.

Bringing into play the guiding role of the fighting capacity criterion. Military forces always have something to do with "military affairs." Even in peacetime, the fundamental aim of army building is still to enhance fighting capacity and defend state security. Various issues, such as whether or not leaders at all levels devote their principal attention to military affairs, whether the work is correctly oriented, and whether the guiding thought is right, must be inspected frequently according to the fighting capacity criterion. When there are deviations, we should promptly rectify them. We should constantly strengthen the idea of doing everything to enhance fighting capacity. For example, some comrades are keen on short-term behavior, vying with one another to do what yields immediate success, profits, and results with little effort; but they try to avoid doing what yields slow success, profits, and results and what requires great effort. If we measure such problems only by the fighting capacity criterion and make serious efforts to overcome them, they are not difficult to spot and solve.

Implementing the fighting capacity criterion in decision-making activities. A correct decision depends on many factors, the most important of which is to strictly uphold the fighting capacity criterion. Whether a job should be done or not and how it should be conducted depends, in the last analysis, on whether it can enhance fighting capacity. When we come across something that is favorable to the part but not to the whole or that should be solved but that cannot be done now because we do not

have the necessary objective conditions, we should make an option in the spirit of being highly responsible to the enhancement of fighting capacity. In organizing and implementing a policy decision, we need the guidance and control of leaders. If the leaders want to give correct guidance and exercise effective control, they should also take the fighting capacity criterion as a fundamental basis. Both theory and practice show that only by applying the fighting capacity criterion in the entire process of decisionmaking is it possible to ensure the correctness of the decision and the effectiveness of its implementation.

Using the fighting capacity criterion to straighten out various work relationships. The Army is related to fighting capacity in all aspects of its work, but these aspects of work do not occupy the same positions or play the same roles in enhancing fighting capacity. There are distinctions between principal and secondary aspects and between direct and indirect aspects. Hence, there is a question of straightening out relationships, particularly the relationship between military training and other work. Military training is the most basic practical activity of the armed forces in peacetime and the principal way to enhance fighting capacity. The focus of the troops' routine work is military training. We should arrange all other work around this. This truth is not hard to understand. But it is, in fact, often difficult to put it in a correct place and there are various contradictions. Therefore, it is necessary to use the fighting capacity criterion to unify our ideas and overcome the defect of "each going his own way" in the leading body and to increase the sense of responsibility of doing a good job in army building, so that overall plans can be made around the central task and all aspects of work can be developed in a coordinated way.

The fighting capacity criterion is an objective criterion. Macroscopically, all people and things can be tested. If you think that there are still forbidden zones that cannot be tested, it would be tantamount to abolishing the fighting capacity criterion. To be bold to apply macroscopically the fighting capacity criterion in testing everything, we need courage in terms of both theory and practice. If we have many misgivings and are afraid of this or that thing, it will be impossible to unswervingly and consistently uphold the fighting capacity criterion.

Questions, Answers on Military Conscription Work

90ON0198A Changchun JILIN RIBAO in Chinese
18 Oct 89 p 1

[Text] The preparatory work for Jilin Province's spring 1990 military conscription has been launched across the board, which has attracted widespread interest. Many people have written letters and made personal visits to inquire about the status of military conscription work. Therefore, the provincial government's military conscription office has prepared the following answers to questions about military conscription.

Question: Why are you beginning now to do the preparatory work for the spring 1990 military conscription?

Answer: In accordance with the arrangements made during the Work Conference for Military Conscription Reform that the provincial government held in August, the preparatory work for Jilin Province's spring 1990 military conscription began in early September this year, and registration for military service will continue throughout September and October in order to determine who our conscription prospects are. Afterward, we will develop the quality of the prospective conscripts. We have chosen to do it this way primarily for two reasons. First, in accordance with the regulation set forth by the State Council and the Central Military Commission that military conscription must be shifted from the fall to the spring, Jilin Province is using the "choose, educate, conscript, accumulate" sequence, as well as methods of high integration and frequency, to do several things, including carrying out the "decide in autumn, educate in winter, get under way in spring" plan, deciding ahead of time on prospective conscripts, and lengthening the time spent on testing and development. This will make it possible to raise the quality of new soldiers. Second, Jilin Province, in keeping with the spirit of instructions handed down by the Shenyang Military Region regarding the reorganization of militia, has switched its militia reorganization work from the spring to the fall. Preparatory work for military conscription will be carried out concurrently with the militia reorganization.

Question: In determining prospective conscripts, what qualifications are you currently requiring? And what methods are you using?

Answer: Our prospective conscripts are primarily male citizens. Conscripts from rural villages must have the education level of junior high school or higher, and urban conscripts (from a county seat, or an enterprise or public institution) must be senior high school graduates. They must be between 17 and 19 years old, but the age for urban conscripts can be extended to 20. Political and physical requirements have been set in accordance with the same regulations that applied to last spring's military conscription. Work to determine prospective conscripts is being organized and carried out by the military conscription offices of the people's government in the various counties (municipalities, districts). As they inspect military service records and carry out registration, they perform preliminary physical and political examinations of youths who are of the proper age. Then they choose the best ones as prospective conscripts. All citizens who meet the requirements must actively report themselves and submit at the appointed time to preliminary physical and political examinations by departments of the armed forces.

Question: What new regulations are there with respect to bonuses and job placement for demobilized drafted servicemen?

Answer: With respect to bonuses and job placement for demobilized drafted servicemen, we are carrying out all relevant state regulations. We give a meaningful bonus to

rural drafted servicemen upon demobilization. Those who render meritorious service at grade two or higher are provided a job by the government. Urban drafted servicemen are provided a job within the system of people's ownership following demobilization, and those who have rendered meritorious service at grade three or higher while in the military service are given first choice in job placement. In order to solve the problem of too many nonagricultural personnel in the military service (a problem that has its roots in history), as well as the problem of excessive pressure on these people to demobilize, provincial government Document No 3 (1989) instituted regulations concerning the ratio of nonagricultural personnel among new conscripts. As the conscripts are being put together, nonagricultural personnel will fill out a "Demobilization Job Placement Registration Form for Youth From Urban and Nonagricultural Backgrounds Seeking To Join the Army." The various localities will determine who will be the prospective conscripts in a rational manner on the basis of this regulation, and the number of military personnel from nonagricultural backgrounds must not exceed limits established by this regulation.

Question: With respect to making the administrative process by which the military conscription is carried out more open, what measures are there?

Answer: The fundamental requirement of the military conscription process is that the quality of the conscripts be guaranteed. The fundamental method by which their quality is to be ensured is to make the military conscription administrative process more open, and to increase its transparency. Therefore, Jilin Province's Work Conference for Military Conscription Reform has demanded that the following three aspects of military conscription work be made more open: conscription policies, conscription work, and determining the list of conscripts. The various levels must vigorously make policies and regulations concerning military conscription work more open to the public. They must carry out preliminary conscription at the grassroots level. After prospective conscripts have been identified, their names must be posted publicly. The same must be done after conscripts have been officially chosen. In order to strengthen the development of clean government and accept oversight of the masses, and in order to promptly handle letters and visits from the people, military conscription offices at every level have established special stations, mailboxes, and phone numbers to receive tips from the people concerning military conscription work. Party, government, disciplinary, and supervisory organs at all levels participate in military conscription work from start to finish. They exercise powerful oversight over the execution of conscription policies. They are overcoming unhealthy practices, guaranteeing the quality of military personnel, and further promoting the achievement of the overall plan for reform of Jilin province's military conscription system.

Navy Legal Advisory Center Viewed

HK2011084789 Beijing JIEFANGJUN BAO in Chinese
9 Nov 89 p 3

["Help You Find a Lawyer" column by Xiao Dong (2556 2639): "The Navy Legal Advisory Center"]

[Text] The Navy Legal Advisory Center, which has a 4-year history, was the first legal service institution to be set up by a People's Liberation Army [PLA] military command organ and to be listed in the establishment of PLA headquarters, and is also one of the units selected by PLA headquarters to carry out experiments on military legal consultative work. In the last few years, in a pioneering and exploring spirit, the center has carried out explorations and work aimed at introducing legal means to the PLA military administrative and management field. The center has actively provided all types of legal services to Navy organs, units, and military academies, tackling and solving a large number of problems for them, and has helped the Navy avoid economic losses totaling 10 million yuan. Newspapers, radio, and television have also reported the remarkable achievements of the center. Because of its outstanding achievements, it has been awarded a Collective Merit Citation Class III and has been elected an advanced unit in popularizing legal knowledge in the whole country, the whole PLA, and the whole Navy.

The main responsibilities and business functions of the center are to provide professional guidance to the legal advisory work of the Navy; to accept assignments for handling economic, civil, and administrative legal affairs; to train legal advisers for the Navy; and to help the departments concerned carry out education on the legal system. The main work methods used by the center are consultation, acting as an agent, mediation, and acting as a representative in legal proceedings.

The center currently has four cadres, all of whom are graduates of various colleges of politics and law. Zhao Weiguang is now deputy chief of the center. The average age of the staff now stands at 27.2. Two staff members are qualified lawyers. Therefore, the center is a collective in possession of a youthful spirit and a relatively good theoretical and professional quality. In the future, it will continue to make its due contribution to strengthening building the legal system among Navy units and to safeguarding their lawful rights and interests, as well as those of the broad masses of Navy officers and soldiers. The present address of the center is: Northern Gate of the PLA Navy Swimming Pool, No 19 Xisanhuan Street Central, Beijing. The present telephone number is: 856294 or 856295.

EAST REGION

Provincial Officials Honor Deceased Comrade Su Yu

*OW2811105089 Hefei ANHUI RIBAO in Chinese
9 Nov 89 pp 1, 3*

[By Ren Da (0117 6671)]

[Excerpts] A solemn atmosphere prevailed amid mourning music in the Hefei Funeral Home on the afternoon of 8 November. Provincial party, government, military leaders, and officials of units directly under the province and of some prefectures, cities, and counties gathered here to bid farewell to Comrade Su Yu, vice chairman and deputy secretary of the party group of the Sixth Anhui Provincial People's Congress Standing Committee. Comrade Su Yu's remains were covered with a CPC flag and surrounded by flowers and pine bushes. In profound grief, those attending the service walked slowly to Comrade Su Yu's remains to pay their last respects to the exemplary CPC member and long-tested loyal communist fighter, and to offer condolences to the bereaved family. [passage on Su Yu's biography omitted]

Wan Li, Song Ping, Song Renqiong, Li Desheng, Gu Mu, Zhang Jingfu, and Huang Huoqing sent wreaths. Li Guixian sent a message of condolences.

While Comrade Su Yu was gravely ill, Comrade Song Ping, member of the Standing Committee of the Political Bureau and director of the Organization Department of the CPC Central Committee, visited him in the hospital.

Wreaths were also sent from the Organization Department of the CPC Central Committee, the Anhui Provincial CPC Committee, the provincial advisory commission, the provincial People's Congress Standing Committee, the provincial people's government, the Anhui provincial committee of the Chinese People's Political Consultative Conference [CPPCC], the provincial Military District, the provincial Discipline Inspection Commission, the provincial Higher People's Court, and the provincial People's Procuratorate; as well as the Liaoning Provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial people's government, and the provincial CPPCC committee; the Henan Provincial CPC Committee and the provincial People's Congress Standing Committee; and the party committee, People's Congress Standing Committee, and government of Qinyang County, Comrade Su Yu's hometown.

Paying last respects to Comrade Su Yu at the funeral home were Lu Rongjing, Wang Guangyu, Fu Xishou, Shi Junjie, Meng Fulin, Yang Yongliang, Liu Guangcai, Niu Xiaomei, Zhao Baoxing, Wang Shengjun, Shi Lei, Shao Ming, Cheng Guanghua, Hou Yong, Cui Jianxiao, Zheng Rui, Ying Yiquan, Kang Zhijie, Du Weiyou, Chen Tingyuan, Yang Jike, Chen Tianren, Du Hongben, Long Nian, Wang Sheyun, Du Yijin, Wu Changqi, Zhang

Runxia, Xu Leyi, Sun Youqiao, Pan Ezhang, Ma Leting, Meng Yiqi, Liu Yiping, Zhao Huaishou, Li Yuanxi, Wang Chengle, and Feng Jianhua. They also sent wreaths.

Paying last respects to Comrade Su Yu were also Li Shinong, Zhang Kaifan, Yang Weiping, Yuan Zhen, Zhao Wenfu, Xie Huangtian, Xu Buyun, Sun Hongzhi, Ma Changyan, Zhang Zuoyin, Li Guangtao, Wei Xinyi, Xia Deyi, Yang Chengzong, Zhao Kai, Yang Ming, Zheng Huaizhou, Zeng Zhaosheng, Liu Lianmin, Xia Tixiang, Hu Tan, Meng Jiaqin, Sun Zongrong, Li Qingquan, Zhu Nong, Hong Pei, Liu Zhengwen, Ding Jizhe, Li Jixiang, Liu Zhengtian, Li Dazhang, Xu Shiqi, He Baisha, Bai Luke, Ou Yuanfang, Chen Qingquan, Yu Hanwen, Zhang Guiru, Qin Guangyu, Jiang Tianran, and Ye Songrong. Wreaths were also sent from them.

Among those who sent wreaths or messages of condolences were also Guo Shenshu, Wang Heshou, Ren Zhongyi, Ren Zhibin, Su Yiran, Li Dongye, Song Li, Chen Guodong, Zhou Zijian, Hu Lijiao, Yuan Baohua, Gu Zhuoxin, Guo Feng, Qiang Xiaochu, Lu Dong, Mo Wenxiang, Gao Yangwen, Quan Shuren, Wang Guangzhong, Li Changchun, Zhang Zhengde, Chen Yiguang, Liu Yiyun, Luo Dingfeng, Cheng Xu, Qin Hezhen, Li Zhen, Chen Lei, Li Peinan, Zhang Ye, Li Kaixin, Wang Yizhi, Wang Yuzhao, Chen Jinhua, Feng Jinwen, Li Shiyong, Yu Ping, Zheng Lizhong, Wang Chonglun, Zhao Qi, Hu Ming, Zheng Weizhi, Wang Xinsan, Fei Ziwen, Jiang Ming, Zhao Daojiong, Li Feiping, Shang Siguang, Hu Ping, Shen Ziwen, Huang Huang, Zheng Ziji, Zhu Chuan, Di Sheng, Meng Zhaoju, Sun Qi, Wang Julu, Yu Xiling, Li Huang, Li Tao, Hu Kaiming, Qiu Chunfu, Zhu Yuzhang, Ye Zhiqiang, Ren Leiyuan, Chen Dexian, Wang Jiuyan, Tan Liren, Zhang Tiejun, Tang Hongguang, Zhang Zhiyuan, Cui Ronghan, Zuo Kun, Cheng Jinxiang, Li Jun, Zhang Qingtai, Zhao Shi, Liu Wen, Fu Zhongmei, Liu Zenghao, Liu Peng, Ni Wei, Xu Shaofu, Chen Enfeng, Yue Weichun, Liu Qingkui, Li Qisheng, Li Ming, Zhang Yan, Fang Ming, Yu Jingqing, Wang Kuncheng, Jin Zhong, Li Xiaolu, Hu Yimin, and Shen Yue.

Jiangxi General Office Advocates Improved People's Congress System

*90ON0145A Nanchang JIANGXI RIBAO in Chinese
6 Oct 89 p 2*

[Article from the General Office of the Jiangxi People's Congress Standing Committee: "Uphold and Perfect the People's Congress System"]

[Text] The People's Congress system is the basic political system of China; upholding and perfecting the People's Congress system is an important component in the construction of socialism with Chinese characteristics. It is a major part of the political structure reform and the most important task in developing socialist democracy and strengthening the socialist legal system.

Since the founding of the PRC, the Jiangxi People's Congress and its Standing Committee have exercised authority entrusted to it by the Constitution and local organizations and has played an important role in state political life and in economic and cultural construction. It has achieved some great successes, but, because of the short period of time and lack of experience, there are some areas in which it has not been perfect. Our People's Congress must continually sum up experiences and make improvements in actual practice.

We believe that the main ways to uphold and perfect the People's Congress system are:

1. Upholding party leadership is the basic guarantee for upholding and perfecting the People's Congress system. The CPC is the core of leadership for people of the entire nation. The leadership position and role of the party were formed through the long-term revolutionary struggle of the masses and a historic choice of the Chinese people. Only by upholding party leadership can the Chinese people cast off their poor and backward appearance and proceed along a socialist path of joint prosperity. Since the People's Congress system was established and developed under the leadership of the party, it is able to unite the people and realize the goals of the party. Therefore, upholding and perfecting this system must also uphold party leadership.

Upholding party leadership is also a concrete expression of thoroughly implementing the Constitution. The Chinese Constitution stipulates that all nationalities in China will continue to be under the leadership of the CPC and build China into a great modern socialist nation. The Constitution is the basic law of China and is the embodiment of the collective national will. Therefore, whoever casts off or weakens party leadership is in opposition to the will of the people and violates the concrete expression of the Constitution.

Upholding party leadership must also help the party's proposals and intentions be translated into the national will through the legal procedures and in carrying out the duties of supervising the government, courts, and procuratorates in a conscientious and thorough manner. The combination of upholding party leadership and conducting affairs in a legal manner gives full play to the role of state organs of authority.

2. Further developing socialist democracy and improving the socialist legal system are important tasks of the People's Congress and its Standing Committee. Comrade Deng Xiaoping attaches great importance to the construction of democracy and the legal system. He pointed out that, "without democracy there would be no socialism and there would be no socialist modernization;" he stressed the need to "carry out construction on one hand and stress the legal system on the other." The 4th Plenary Session of the 13th CPC Central Committee also proposed the need to devote much effort to strengthening socialist democracy and construction of the socialist legal system. Consequently, doing a good job in

the construction of democracy and the legal system is an important long-term task for the People's Congress and its Standing Committee.

Socialist democracy and the socialist legal system cannot be separated. Democracy is the prerequisite and foundation of the legal system and the legal system embodies and guarantees democracy. Deviating from the legal system of social democracy is not a socialist legal system and deviating from democracy in the socialist legal system is not socialist democracy. These two are mutually connected, complement each other, and neither can be dispensed with.

The construction of democracy and the legal system should be led by and controlled by the general orientation of socialism. We are a socialist nation and in our construction of democracy and the legal system we must not stray from socialism and talk glibly about Western "parliamentary democracy." We cannot stray from increasing the fundamental benefits of the workers in order to build a "supraclass" legal system. This would only harm the democratic rights of the majority and destroy the socialist legal system and deviate from the socialist direction.

The construction of social democracy and the socialist legal system is a gradual process that is restricted by the development of the socialist economy and culture. Based on the actual situation in Jiangxi the current construction of socialist democracy revolves around the three aspects of democratic decisionmaking, democratic elections, and democratic supervision, along with the continual development of the people's democratic rights. In the area of constructing a socialist legal system we are in the midst of formulating the "rules and procedures for the People's Congress" and other local laws and regulations so that the work of the People's Congress can proceed gradually in an orderly, systematic, and legal manner.

3. Upholding and implementing the principles of democratic centralism is the basic standard by which the People's Congress and its Standing Committee exercise various forms of authority. Socialist democratic centralism is centralism based on a high degree of democracy. If we deny democracy and concentrate only on centralism, we will not have true centralism. If we only concentrate on democracy and deny centralism, we will have anarchy. Only by carrying out democratic centralism can the People's Congress and its Standing Committee properly exercise authority, avoid mistakes in important issues, and combine the people's overall interests with the partial and local interests, and combine long-term interests with present interests.

There are some essential differences in the democratic centralism carried out by China and the majority principle used in bourgeoisie parliamentarianism. Because democratic centralism can be truly realized only under the precondition of having the fundamental interests of the people coincide, the so-called majority principle of

the bourgeoisie cannot truly reflect a majority of the masses. Since the bourgeoisie and the interests of workers are in basic opposition in a capitalist society, only in a proletariat nation that has realized public ownership of the means of production can democratic centralism act as the basic standard for national political life.

4. Lawful exercise of power is the key to the People's Congress and its Standing Committee playing out their role. The Constitution and laws stipulate that provincial People's Congresses and their Standing Committees have legislative power, decisionmaking power, the power to appoint and dismiss personnel, and supervisory power. In partnership with the People's Congresses and their Standing Committees in this supervision are the government, courts, and procuratorates. The relationship between organs of authority and these state organs is the relationship of a supervisor and one who is supervised. It is the lawful duty of the organs of authority to conduct supervision of these state organs and it is the lawful obligation of these state organs to conscientiously accept supervision by the organs of authority.

The organs of authority's supervision of government, courts, and procuratorates consists of the following: First is legal supervision and second is supervision of work; however, legal supervision should be the primary focus. The organs of authority in fulfilling their supervisory duties should handle things in a strictly legal manner and strive hard to neither neglect nor overstep their authority in order to ensure highly efficient operations in state administrative organs and ensure that the courts and procuratorates carry out their judicial and procuratorial powers in an independent fashion.

In China, the fundamental tasks and goals of the organs of authority and state organs are identical, with differences only in their individual duties and division of work, resulting in this being a dual type of supervision and a restrictive mechanism that also provides support and help. Both of these are under the leadership of the party and united as one to jointly realize the party-stipulated line of one heart with two basic points and to carry out the tasks appointed by the Constitution according to law.

On the celebration of the 40th founding anniversary of the PRC we look back on the course of implementing the People's Congress system which fully shows its great vitality and superiority. As long as we continue to uphold the four cardinal principles under the leadership of the party, we will definitely be able to continually perfect and improve this new political system.

Zhejiang CPPCC Studies CPC Guidelines

OW0712222989 Hangzhou ZHEJIANG RIBAO in Chinese 21 Nov 89 p 1

[Text] The ninth meeting of the Standing Committee of the sixth provincial committee of the Chinese People's Political Consultative Conference [CPPCC] opened in

Hangzhou yesterday. The main agenda of the meeting is to study and implement the guidelines of the 5th Plenary Session of the 13th CPC Central Committee.

Ge Hongsheng, deputy secretary of the provincial party committee, attended the meeting to relay the guidelines of the plenary session. Discussing the current economic situation, Ge Hongsheng said that China has scored universally acknowledged achievements in its policy of reform and opening to the outside world and socialist modernization over the past decade, but there are still many difficulties. We should overestimate rather than underestimate such difficulties. Of course, we should also notice the favorable conditions for surmounting difficulties, thereby strengthening our determination and confidence to overcome them. Ge Hongsheng called on CPPCC organizations at various levels and their members in Zhejiang to display their talent in the course of improving the economic environment, rectifying the economic order, and deepening the reform. Ge Hongsheng urged them to diligently study and implement the guidelines of the 5th Plenary Session of the 13th CPC Central Committee on raising awareness and achieving unity in thinking. They should strive to offer good advice for overcoming temporary economic difficulties in light of reality in Zhejiang, thereby making their share of contributions to maintaining sustained, stable, coordinated growth in the economy. He also called on the CPPCC members attending the meeting to take home the fruits of the current meeting and share them with the people in various sectors with whom the CPPCC members are associated so as to win ample understanding and conscientious support from well-known people and the broad masses for the central authorities' important decisions.

Shang Jingcai, chairman of the provincial CPPCC Committee, spoke at the meeting. He said that the important decisions made by the 5th Plenary Session of the 13th CPC Central Committee on the economic work and personnel reshuffle are very important for stabilizing and developing China's political and economic situation. The "Decision of the CPC Central Committee on Further Improving the Economic Environment, Rectifying the Economic Order, and Deepening the Reform," adopted by the plenary session, put forth the guiding principles, tasks and objectives, and major measures for the economic work, which are of great importance for developing the Chinese economy in a sustained, steady, and coordinated manner. Shang Jingcai stressed that, at the current meeting, we should earnestly study the documents of the plenary session and thoroughly comprehend and conscientiously implement the party Central Committee's important policy decisions in order to actively assist the provincial party committee and the provincial government to continue to steadfastly carry out the principles of improving the economic environment, rectifying the economic order, and deepening the reform. We should work hard with one heart and one mind and with a pioneering spirit to overcome difficulties in the course of advance, thereby striving to make

our share of contributions to achieving sustained, stable, balanced growth in Zhejiang's economy.

The current meeting is scheduled for 4 days. Yesterday afternoon, the Standing Committee members of the provincial CPPCC Committee heard a "Report on Zhejiang's Economic Work" delivered by a responsible person of the provincial Planning and Economic Commission. They will also hear a "Report on Further Progress in Screening and Consolidating Companies" from a responsible person of the provincial Administration for Industry and Commerce and "Report on the Auditing of the Dadongnan Company, Ltd and Two Other Corporations" from a responsible of the provincial Auditing Bureau. The provincial Discipline Inspection Commission, the provincial Higher People's Court, the provincial People's Procuratorate, and the provincial Supervision Department will submit written statements to the current meetings on the progress in fighting corruption and promoting the construction of a clean government in Zhejiang.

Chairman Shang Jingcai and Vice Chairman Wu Youxin of the provincial CPPCC Committee chaired the meeting yesterday, which was attended by Vice Chairmen He Zhibin, Zhou Chunhui, Jiang Cisheng, Wang Chengxu, Ding Deyun, and Li Chaolong, as well as Wu Yaomin, director of the United Front Work Department of the provincial party committee.

Veteran Comrades Mao Qihua, Wang Jiayang, Yu Jiye, Zhang Renzhi, Chen Li, Wang Jiwu, and Yang Shilin also attended the meeting.

Zhejiang Procuratorial Organs Arrest Economic Criminals

OW0112143689 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 19 Nov 89

[Text] According to a station report, procuratorial organs throughout the province have arrested and detained, according to law, 115 economic criminals during the first half of November. These economic criminals, who had been involved in corruption and bribery cases, had refused to admit their crimes and surrender themselves within the time limit.

(Gao Guichang), who is assistant manager of the No 4 Engineering Company, under the No 21 Metallurgy and Construction Company, which is under the Ministry of Metallurgical Industry, and who is also the manager of the Ningbo Beilun Power Plant Project, used his authority to demand and accept a bribe of nearly 10,000 yuan. (Wang Zhongyuan), director of the (Suquan) Chemicals Plant in Huangyan County colluded with others to embezzle more than 60,000 yuan, from which he took 22,000 yuan. When the county procuratorial organ carried out investigations on the basis of reports from the masses, it discovered that the tactic (Wang Zhongyuan) had used was basically that of sacrificing a pawn to save the chariot; he had asked salesman (Wang

Geqin) and others to surrender themselves to the local procuratorial organ in order to save his own neck.

The procuratorial organ has now arrested, according to law, the first group of economic criminals. The procuratorial organ's initiative in arresting those criminals who refused to surrender themselves has shocked other economic criminals who have not yet given themselves up. During the first half of November, 79 economic criminals had surrendered to the procuratorial organs in the province and handed over 110,000 yuan in embezzled funds.

A person in charge of the provincial procuratorial department pointed out: Although the time limit has already expired, there has been no change in the policy of leniency toward those who acknowledge their crimes, but severe punishment for those who stubbornly refuse to do so. Those criminals who surrender will receive lenient treatment. If they choose to resist stubbornly, they will be punished severely by the law.

CENTRAL-SOUTH REGION

Guangdong Issues Regulations on Use of Funds for Private Housing

90ON0165D Guangzhou NANFANG RIBAO in Chinese 24 Oct 89 p 4

[Text] The following regulations are hereby issued to deal with the problem of party and government cadres who exceed norms in the remodeling of residential structures:

I. Document No 385 of Guangdong provincial construction committee (1987) clearly stipulates, with respect to the remodelling of residential structure by Guangdong Province's cadres, that every locality and unit must abide by established norms. Whenever an individual requests that remodeling in excess of norms be performed on public housing either originally owned, newly built, changed, expanded, or repaired by that person's unit, or merchandise bought for interior furnishings, the expenses incurred in said remodeling shall be paid for in all cases by the individual.

II. Units that violate regulations on the use of public funds for the installation in residential structures of wall lights, hanging lamps, other decorative light fixtures, stainless steel kitchen appliances, ceiling fans, grease hoods, air conditioners, or water heaters, must sell these items to the resident at the original price, and must recoup the installation fee and any other charges.

III. In principle, any wall closet or cupboard of any sort which has been installed with the use of public funds must be sold to the resident at a price equivalent to the production cost of the item. The cost of any item in this category which is immovable must be calculated into the rent and recovered over a period of 10 years.

IV. When a sun terrace has been sealed off prior to completion of construction, it shall be included in calculations of total floor space once people have moved in, and no further adjustments shall be made. When a sun terrace is added after the finish of construction at public expense for a resident's benefit, the cost shall be borne by the resident, or it can be calculated into the rent on the basis of the item involved and the quality of construction.

V. Decoration of interior floors (except for the laying of decorative floor tiles), interior walls (except for the application of latex paint), ceilings, doors, and windows that require public funds in excess of established norms, and bathtubs installed with public funds, must be paid for by the resident, or the expenses can be calculated into the rent and recouped over a period of 10 years.

VI. Any decoration expenses in excess of established norms for residences in general purpose buildings or high-rise structures incurred as a result of municipal uniform building requirements or structural considerations must be calculated into the rent.

VII. Whoever uses administrative authority or public funds to secure residential remodeling in excess of established norms shall be responsible for paying for these expenses. Flagrant violations shall be subject to disciplinary measures.

VIII. Any public funds in excess of established norms which have been improperly used for remodeling of a private residence prior to the housing reform shall be repaid by the resident. They shall not be under the jurisdiction of housing reform, and the relevant leaders and individuals shall be prosecuted when flagrant violations have occurred.

IX. With regard to this regulation's stipulation that remodeling in excess of established norms shall be calculated into the rent, various government agencies at the county level or higher shall designate the construction committee, housing administration, or price department which shall determine actual norms for rent collection.

X. The various municipal and county governments, and provincial departments and bureaus (units) shall be responsible for the organizational and operational aspects of this regulation. Construction committees and supervisory agencies at all levels, agencies directly subordinate to the provincial government, and the party's industrial committees shall perform investigation and oversight regarding the execution of this regulation.

XI. In principle, this regulation also applies to similar problems involving residential remodeling by cadres of enterprises and institutions.

Guangdong's Dongguan County Improves Spiritual Civilization

90ON0165C *Guangzhou NANFANG RIBAO in Chinese*
28 Oct 89 pp 1, 3

[By Xie Bingwen (6200 3521 2429) and Huang Yonggui (7806 3057 6311)]

[Text] The Dongguan municipal party committee and municipal government have vigorously strengthened development of socialist spiritual civilization, and energetically advanced social stability and economic development. These successes are intimately related to efforts to raise the quality of the broad masses of the people and cultivate a new generation of people "who have the four things" (a concept referred to as "the one center"). The successes are also closely related to efforts to firmly grasp development of "battle facilities," development of "troops," and development of a system; a concept known as "the three links."

Since the 3d Plenary Session of the 11th Central Committee, economic development in Dongguan Municipality has made giant strides and the people's material standard of living has improved significantly. However, because the development of socialist spiritual civilization lagged behind for some time, some people, in the midst of these great historical changes and under the influence of foreign thought and culture, have lost their bearings and become confused. Some people have even come to the simplistic view that once you have money to buy such high-quality consumer goods as a television, refrigerator, and stereo, then you've got all the civilization that there is to be had. Faced with this situation, the Dongguan municipal party committee and the municipal government, in order to raise the ideological quality and cultural refinement of the broad masses of the people and to guarantee that the policy of reform and opening up will move in the proper direction, have adopted a series of effective measures to strengthen the development of socialist spiritual civilization. In 1983, they specially created the municipal committee for the development of spiritual civilization, beneath which was established a staff office responsible for leading and coordinating work throughout the municipality to develop spiritual civilization. In 1984, they issued Document No 1, which it was resolved to vigorously strengthen the development of socialist spiritual civilization. In 1987, the "Dongguan Municipal Outline for the Development of Spiritual Civilization" was formulated. This linked the appraisal of the administrative work of leading cadres to the success of developing spiritual civilization in their units and made effectiveness in developing spiritual civilization one of the norms by which the quality of a leadership group's work is judged. Since last year, the municipality's development of spiritual civilization has been further strengthened. They have clearly spoken of the need to get down to the nuts and bolts of developing spiritual civilization, and the need to do this by raising the quality of the broad masses of the people and cultivating a new generation of

people who have "the four things," [ideals, morals, discipline, and knowledge] and by tightly grasping "the three links."

One thing is the development of the "battle positions." Since the beginning of reform and opening up, the municipality has invested large sums to build its own television station, newspaper, and culture center. The entire municipality's 33 market towns and districts have all built culture stations. The administrative districts, villages, and units have set up 392 culture offices, 13 exhibit centers and offices, 52 open-air theaters, and 23 ice-skating rinks. The municipality has established a culture network. An all-purpose recreational facility serves as its central focus, and single-theme recreational facilities and specialized households providing entertainment serve as a secondary tier. Currently, the total floor space of the municipality's cultural activities facilities measures 116,160 square meters, nearly five times greater than 10 years earlier.

The second thing is the development of "troops." There have been more than 90 societies and associations set up throughout the municipality for such things as literature, photography, calligraphy, art, music, rock gardening, and so forth. In addition to professional troupes, 26 amateur art groups and more than 30 groups interested in literature and such folk art forms as ballad singing, storytelling, comic dialogues, and so on, have been formed. According to incomplete statistics, in the first half of this year 31 singing contests, more than 90 "evenings for literature and art," and more than 30 exhibitions of art, calligraphy, and photography were held.

The third thing is the development of a system. The municipality has an overall plan for development of spiritual civilization. Every year, the municipal party committee's Propaganda Department and the office for development of spiritual civilization formulate the outline for development of spiritual civilization, and every agency, enterprise, and group then formulates its own plan for spiritual civilization development activities on the basis of the municipality's arrangements and their own concrete conditions. In addition, a complete set of regulations has been formulated throughout the municipality, from top to bottom, governing the development of spiritual civilization, which has systemized the development of spiritual civilization.

In their daily work, they strive to deliver educational messages in an enjoyable format, enabling the masses to accept them happily and easily. Last 2 July, for example, the municipality's Propaganda Department and the television station held a single-theme choral performance entitled "Without the Communist Party, There Would Be No New China." The songs were performed by retired cadres and amateur singers. This enabled the viewers to receive the favorable influence of art while being educated about upholding the four basic principles. Also, Dongguan is an old battlefield of the Opium War. It was in Humen that Lin Zexu destroyed the

opium. Dongguan was also an important base for the Dongjiang Column during the War of Resistance Against Japan. They utilized these local educational materials to organize all sorts of exhibits. This was a vivid and accessible lesson in patriotism for the masses. So far, more than 200,000 visitors have seen the Opium War Museum in Humen this year.

The solid job in developing spiritual civilization has played a forceful role in promoting social stability and bringing prosperity to the local economy. Now, studying culture, seeking knowledge, and having concern for the affairs of the nation have become commonplace. The spiritual well-being of the broad masses of the people has undergone a huge change. Social order has gotten better every year. The crime rate has fallen from the 1981 figure of 11.2 per 10,000 to 5.2 per 10,000 last year. According to statistics, in the last 10 years the members of the municipal Science Association organized 5,300 different occasions in which its members contributed more than 3,900 suggestions and plans to cadres at various levels within the party and the government. More than 4,900 of its members have run more than 2,400 experiments aimed at technical innovation. Of these, 100 were of provincewide quality, and 40 were of nationwide quality. They created over 44 million yuan in economic benefits for society.

Gaoyao County Calls Clean Government Program Successful

*90ON0165B Guangzhou NANFANG RIBAO in Chinese
27 Oct 89 p 1*

[Article by Chen Shangzhu (7115 0006 3137) and Yang Bing (2799 0393): "Gaoyao Realizes Success With 'Two Opens and One Oversight' System; Makes Relations Between Party and Masses Closer, Promotes the Development of Clean Government"]

[Text] Gaoyao County has been promoting the establishment of the "two opens and one oversight" work system in agencies under various ministries, commissions, offices, and bureaus since the first half of this year. There have been 113 items opened up, and significant social and economic benefits have been attained. Currently, the "two opens and one oversight" is being extended to government agencies in 19 market towns, to enterprise units, and to more than 300 rural administrative districts.

There were several steps involved in promoting the "two opens and one oversight." The first was to link the promotion of the "two opens and one oversight" together with the strengthening of ideological and political work and the establishment of a spiritual civilization. "Rectitude" was made an important standard in appraising party members and cadres. The second step was to link the promotion of the "two opens and one oversight" together with the punishment of corruption. They have included tracking down and clearing up unpaid debts as part of the effort to fight corruption. In

just a few months, the county recalled 1,327,000 yuan in private debts. The third step was to start by tackling "hot" issues. The county chose to target the existence of "friendship fertilizers," "connections fertilizers," and "friendship loans" in the supply of chemical fertilizers and diesel fuel and in the allocation of rural credit as the area in which it would make its breakthrough in its promotion of the "two opens and one oversight" throughout the county. After having groped its way through its initial experiences, the county then extended the system to 11 key units which are closely connected to the welfare of the people, including departments in charge of labor, personnel, state land resources, public security, industry and commerce, taxes, and so forth. From there, the system was extended throughout the county. The fourth step was to formulate a program for the system's operation. The program had to meet the following criteria: Any item that has been opened up must make things more open and convenient from the standpoint of the masses. The system had to raise the degree to which party and government cadres take the initiative to serve the people, and it had to raise their productivity. It had to perfect the regulatory system and close loopholes. It had to meet the demands that the work of party and government organs be systemized, conform to standards, and become more open. The fifth step was the actual procedures and results of the "two opens and one oversight." The county became more open vis-a-vis the market town, the market town became more open vis-a-vis the administrative district, and the administrative district became more open vis-a-vis the peasant household. At the same time, a sound oversight mechanism was established. The post of secretary of the county party committee was created. A mailbox for letters to the county administrator was created. A type of town meeting with county leaders was established. A center was established for turning in the names of lawbreakers. A system of joint meetings for the persons in charge of procuracy and oversight agencies was established for the purpose of studying and investigating major cases. A mailbox and a telephone number for lodging complaints were also established.

The county has been promoting the "two opens and one oversight" for more than half a year, and significant social and economic benefits have already been obtained. First, affairs are being handled in a more transparent manner, and relations between the party and the masses have become much closer. The greatest complaint of the masses used to be in connection with the allocation of chemical fertilizers and diesel fuel. Last August, through a checkup by price, auditing, and procuracy agencies, all of the county's 15,042 tons of chemical fertilizers and 4,935.6 tons of diesel fuel had been allocated on time, in the proper quantities, and of proper quality through the unified distribution system to every market town, village, and relevant agricultural production unit. The peasants expressed satisfaction. Second, it has prompted party and government agencies to abstain from corruption. According to statistics, 194 persons in the county's grassroots various and sundry agencies were

punished for economic violations of government or party regulations on discipline between 1980 and 1988. Since the beginning of this year, though, only one person has been punished. There have been 299 instances in which the 11 "key units" refused to accept "red envelopes" [that is, gifts of money], gifts, and bribes totaling 24,000 yuan in value. Third, service attitudes have been improved, and the efficiency and quality of people's work has been raised. The time required to register for and receive a license at the county bureau of industry and commerce has been shortened from more than a month to 2-5 days. At the same time, participation in, discussion, and oversight of government by the masses has been brought into play, which has advanced the establishment of democratic government. According to statistics, the procuracy's center for taking tips from the people received 143 letters from the people from January to August this year. A total of 80 persons working for organs of the state were accused in the letters, and a total of over 1.6 million yuan was involved. The "friendliness tax" of the tax agencies was abolished, and a total of 164,500 yuan was returned to individual industrial and commercial entrepreneurs.

The promotion of the "two opens and one oversight" also advanced the entire county's economic development. From January to August, the total industrial output and profits on taxes for the entire county grew by a large amount.

Work, Roles of Women in Guangdong Expanding

*OW2511201989 Beijing XINHUA in English
1601 GMT 24 Nov 89*

[Text] Guangzhou, November 24 (XINHUA)—Li Bamei, in Xinchao village of south China's Guangdong Province, has turned over 170,000 kilograms of grain to the state since the implementation of the reform and open policy in this special economic zone 10 years ago.

Last year, her family was honored as one of the 100 model families of the country that produced the largest amount of grain for the state.

Since 1987, when she added seven hectares of contracted farmland to her original two-thirds of a hectare, she has spent 60,000 yuan (about 16,000 U.S. dollars) on the improvement of drainage, on buying farm machines and tools, agricultural chemical and fertilizer.

This year Li, who is 48, had a bumper harvest. She sold more than 55,000 kilograms of grain to the state in addition to the state production quota, and offered more than 5,000 kilograms of improved rice seed to the state.

In Guangdong Province there are 225,000 women's households engaged in specialized undertakings and 21,000 economic entities mainly formed by women.

To improve themselves, more than nine million women in rural areas have taken courses in science and other subjects. Some 4.2 million of them have mastered one or two practical techniques.

In cities and towns, about 2,150,000 women workers have studied in TV universities, correspondence schools and vocational schools. More than 3,000 factory women directors and managers have appeared in the province.

In the province's 19 cities are 33 women leaders of municipal level, and 190 women leaders in different departments in 115 counties and prefectures.

Guangzhou Acts To Promote Courtesy, Friendliness

900N0165A Guangzhou NANFANG RIBAO in Chinese
21 Oct 89 p 2

[By Lin Yaming (2651 0068 5407)]

[Text] The color green symbolizes vitality and vigor, harmony and freshness. Guangzhou gives people an impression of eternally verdant flora and a well-developed economy. So, are prevailing social practices equally pleasant?

To get the answer to this question, it would be a good idea to listen to the viewpoints expressed by the citizens of Guangzhou in a public appraisal of the ambience of Guangzhou and the spiritual life of its people. The most representative viewpoint, which came from all trades and all levels, was this: The mass spiritual civilization movement which has taken place in Guangzhou in recent years has promoted the establishment of polite, friendly interpersonal relationships and harmonious new social practices.

Of course, whether it be the people of Guangzhou themselves or visitors from out of town, people's impressions of Guangzhou have not always been like this. At the beginning of the period of reform and opening up, due to the effects of the "dog eat dog" atmosphere of the Cultural Revolution, people's behavior in public, their attitude toward anyone from out of town, relationships between coworkers and neighbors, and the performance of people in the service trades all indicated a great deal of tension and indifference. Such quick-hitting movements as "civility day" and "civility month" were like sporadic rains in a desert—the effect was negligible.

Guangzhou is on the front line of reform and opening up. Guangzhou is the southern gate of the fatherland, and the image projected by its people has an impact on the image of the fatherland. On the basis of this understanding, the Guangzhou municipal party committee and the municipal government made it a major project to establish a new model for interpersonal relationships and to create a beautiful new image of the people of Guangzhou. The "3-year program for the beautification of Guangzhou" was formulated in 1985. Its goal was to

make the people of Guangzhou "become more civil, create civil work units, and establish a civil Guangzhou."

Guangzhou's busses carry about two million passengers per day. These busses are a window upon the state of interpersonal relationships. In 1986, having been shown the way through the experience of the drivers of route 5, Guangzhou municipality's Bus Company Number 1 urged all of society to launch "friendliness on the bus" activities in order to improve interpersonal relationships. Comrade Xie Fei [6200 7236], deputy secretary of the Guangdong provincial party committee and secretary of the Guangzhou municipal party committee, spoke approvingly of these activities. He said, "This is a concrete manifestation of the effort to implement the spirit of the 6th Plenary Session of the 12th Central Committee at the level of the bus drivers' post. The passengers and drivers, hand in hand, have adopted this very good method to establish civility in the city." The launching of these activities has begun to improve the atmosphere in the busses, where it used to be explosive.

In 1987, Guangzhou played host to the Sixth National Games. The Communist Youth League's Guangzhou municipal committee took advantage of the universal enthusiasm that people felt for the big event by launching a "Smiles Across Guangzhou" movement. In the wake of this movement, the schools initiated a "Friendliness on Campus" movement, individual entrepreneurs initiated a "Smiling Service Along the Whole Street" movement, the commerce system initiated a "Smiles at the Counter" movement, the medical system initiated a "Warmth in the Ward" movement, and the neighborhood committees initiated "Harmonious Neighborhood" movements. Active participation by young people and those in the service trades reaped wonderful social results, and enabled the establishment of an ambience in Guangzhou in which people everywhere were behaving with civility. In addition, the nation's first suicide prevention center, a school for mentally handicapped children, and a canteen catering to physically handicapped persons appeared in Guangzhou. Thus, the caring and warmth of society reached corners that were formerly ignored.

In order to deepen courtesy and friendliness, Guangzhou's municipal party committee and government launched the "1988 Guangzhou Courtesy Year," and decided to learn from the restaurants of Guangzhou. The focus of the former was to cultivate a sense of social ethics and interpersonal relations based on mutual respect; the latter promoted the professional ethic of "an honest and friendly attitude toward customers." They incorporated the propagation of the revolutionary tradition and our ethnic virtues into the agenda of reform and opening up. They combined their efforts with the newly arisen enterprise culture, district and neighborhood cultures, the program for the service trades, and the program for student morality, to further raise the quality of the people of Guangzhou. Afterwards, the neighborhood committees of Middle Jiefang Road and other streets held household beautification contests and household

music contests, and launched a morality education movement. By so doing, relationships among neighbors and within families were ameliorated, and the family was able to become a cell of civility within society. By making "sincerity" a part of the enterprise spirit, the Nanfang Building Department Store and other units in the service trades strengthened their workers' cohesiveness and "serve the people" spirit, and middle school students respected their teachers and showed concern for their classmates. The enthusiasm of individual entrepreneurs for public service gradually became the order of the day.

Perhaps the people of Guangzhou have become accustomed to this endless parade of new phenomena, but people from out of town, upon encountering the warmth, feel as if they have been caressed by a warm spring breeze. At a meeting of Guangzhou's committee on the establishment of a socialist spiritual civilization, delegates from other provinces and cities stationed in Guangzhou said that they had been deeply impressed by the warmth with which the people of Guangzhou treat people and deal with situations, the faultless service of the service trades, and the polite language used in public notices. This is a manifestation of the new face that Guangzhou, as an open city, has taken on.

Why would Guangzhou want to exert such a great effort to beautify it people? Comrade Zhang Hanqing [1728 3352 7230], deputy secretary of the municipal party committee, feels that "the actual significance of the development of a spiritual civilization lies in raising the quality of people, and this is precisely one of the fundamental items in reform and opening up. Only by doing this has Guangzhou been able to pursue this project in a manner that both has an overall plan, producing new developments every year, and also promotes in a timely manner the models which the masses have created, thus enabling the city's prevailing social practices and interpersonal relationships to improve one step at a time."

SOUTHWEST REGION

Tibetan Scholars 'Angered' by Dalai Lama's Nobel Prize

OW0812103189 Beijing XINHUA in English
0915 GMT 8 Dec 89

[Text] Beijing, December 8 (XINHUA)—Tibet scholars living in Beijing expressed their anger today over the awarding of this year's Nobel Peace Prize to the Dalai Lama.

They said the act constituted wanton interference in China's internal affairs and overt support for the "independence of Tibet" cause of Tibetan separatists.

Peng Zhe, deputy director-general of the China Tibetology Research Center, said the awarding of the prize

should contribute to peace in the world and to the progress of mankind. It must not be used to interfere in a country's internal affairs.

He noted that some countries in the West had staged an anti-China farce after the anti-government riot in Beijing in June. Tibetan separatists had instigated a number of riots in Lhasa. The Dalai Lama, long in exile abroad, had been engaged in activities directed at disrupting national unity and splitting China.

"To give the Nobel Peace Prize to the Dalai Lama at this time," he said, "is nothing but explicit support for the attempt at splitting Tibet from China and for the anti-government riots."

He added: "The Norwegian Nobel Peace Prize Committee is playing a most inglorious part in the anti-China clamor."

Dunzhu Duoqi, deputy-chief editor of the Nationalities Publishing House, said it was an indisputable historical fact that Tibet had been an inalienable part of China since the Yuan Dynasty (1206-1368). For the Norwegian committee to make an issue out of the Tibet problem was wanton meddling in China's internal affairs.

"Buddhist disciples and believers in Tibet," he said, "respect the Dalai Lama as one of the leaders of Tibetan Buddhism. But in recent years, he has been to many countries for political activities that have nothing to do with religion, such as visiting the "Don't Forget the Tiananmen Incident Art Show" in France and meeting Yan Jiaqi, one of the engineers and organizers of the anti-government riots who is wanted by the Chinese police."

Dunzhu Duoqi said he believed that it was unwise for the Dalai Lama to meet Yan and expressed his "sympathy" toward him. "I hope that the Dalai Lama will respect the feelings of the Tibetan people and stop doing things that will hurt such feelings."

Commenting on the Dalai Lama's receiving the French "Prix de la Memoire" Award, he said that some people in France gave the prize to the Dalai Lama on the ground that he contributed to "the preservation of Tibetan culture".

But in fact, he said, it was the Chinese Government, the Tibetan people, and Tibetan and Han scholars and experts who had been working hard to preserve the cultural legacy of Tibet.

Since 1953, the Nationalities Publishing House had published more than 1,000 books in the Tibetan language on history, culture, religion, Tibetan medicine and other subjects.

He recalled that when the first group of the Dalai Lama's representatives came to Beijing in 1979, they said that both the quantity and quality of those books were remarkable.

Peng Zhe and Dunzhu Duoqi said the Chinese Government had said time and again that stability was very important for China. If people in some foreign countries were really concerned about the Tibetan people, then they should be interested in the stability of all China, including Tibet, and respect the choice of the Tibetan people in taking the socialist road and maintaining the unity of the country.

Lhasa Vice Mayor Interviewed on Martial Law

HK3011055289 Lhasa Tibet Regional Service in Mandarin 1130 GMT 29 Nov 89

[Text] On 28 November, (Kong Fansen), vice mayor of Lhasa, was interviewed by a reporter from the television station No 2 of the FRG, on some questions, including the impact of martial law, currently in force in Lhasa, on the Tibet region.

Vice Mayor (Kong Fansen) first extended welcome to the visitors from the FRG. Giving a brief to the reporter, he said, "Martial law was imposed on Lhasa on the early morning of 8 March. At first, some people felt perplexed at the measure as this was the first time martial law has been imposed on a part of the country. But, later on, the masses all agreed that the imposition of martial law was necessary, after they understood its purpose and significance. Since the imposition of martial law, daily operations and life in Lhasa have gradually returned to normal, and the public now feels assured of their security."

The FRG reporter asked the vice mayor whether people elsewhere in Tibet can come to Lhasa at any time and why people have to be questioned or searched behind Johkang Temple by soldiers who are on guard there. (Kong Fansen) replied that, after imposition of martial law, people from elsewhere in Tibet and from other provinces could enter Lhasa freely on business trips or to visit relatives, and they are subject to no restrictions. But sometimes they may be asked to show their resident identity cards, especially within the areas where martial law is in force. Troops have been deployed all around Johkang Temple to enforce martial law. As that place is one of the main districts under martial law, the inspection procedure is relatively strictly enforced there. The masses show no objection to this practice.

The FRG reporter asked the vice mayor how much Lhasa made from tourism in 1987 and whether the income was affected this year. (Kong Fansen) said that In 1987 Lhasa entertained a total of 29,107 visitors and earned a foreign exchange income of 3.94 million yuan therefrom. This year, the city has so far entertained 672 foreign tourists and earned foreign exchange of 160,000 yuan. It is true that Lhasa's tourism has been affected. And this is partly because foreign friends do not know about the actual situation in Lhasa under martial law. We believe the situation will improve next year.

The FRG reporter asked whether any people involved in the 1987 riots were executed. (Kong Fansen) said that,

since 5 March this year, public security authorities have arrested and tried some 40,000 people, of whom 30,000 have been released after being criticized. Only 63 criminal elements were sentenced to penalties but none has been executed.

The FRG reporter also inquired whether the incarnation of a new Bainqen Lama will be conducive to stability in the religious sector in Tibet. (Kong Fansen) said that the public, especially the masses in Xigaze Prefecture, have shown great concern about the reincarnation of the Bainqen Lama. The incarnation of a new Bainqen Lama will have a positive effect on stability in the religious sector in Tibet. By the way, religious activities are now going on as normal and are enjoying stability.

During the interview (Kong Fansen) also mentioned the constant improvement in the supply of butter and vegetables in Lhasa these days.

NORTH REGION

Hebei Reports on Implementing Court Notice

SK2911035789 Shijiazhuang HEBEI RIBAO in Chinese 3 Nov 89 p 1

[Text] The deadline set in "the notice of the Supreme People's Court and the Supreme People's Procuratorate on which grafters, bribe takers, and profiteers should frankly confess their crimes" expired as of 31 October. Within the time limit set in the notice, 815 criminal offenders surrendered themselves to the procuratorial organs and frankly confessed their crimes.

Included were 149 cases involving a sum of illicit money ranging from 10,000 to 50,000 yuan; 18 cases involving a sum of illicit money ranging from 50,000 to 100,000 yuan; 8 cases involving a sum of illicit money ranging from 100,000 to 500,000 yuan; and 2 cases, each involving more than 500,000 yuan worth of illicit money. A total of 4.47 million yuan in illicit money was returned. Within the deadline, 61 prisoners who had been taken into prisons, detention houses, and reformatories confessed their remaining crimes; 273 criminals who had been taken into custody exposed and denounced 509 criminal cases related to their accomplices; and more than 280,000 yuan in illicit money was returned. The aforementioned facts fully prove that the "notice" not only forcefully shocked the criminal offenders, forced a group of criminal offenders to confess their crimes, and saved a group of people; but also helped the cadres and the masses enhance their awareness of the legal system and helped promote the improvement of party and government organs' administrative honesty.

There were several distinguishing features of implementing the "notice" in our province. 1) It enjoyed the forceful support of party committees at various levels and of society. 2) It formed a momentum in mass media. 3) It vigorously promoted the combination of voluntarily

confessing crimes and effectively investigating and handling criminals. 4) After the promulgation, the notice was implemented to the letter according to the principle of leniently handling those who frankly confess their crimes and strictly punishing those who refuse to confess their crimes.

The responsible comrade of the provincial procuratorate pointed out that the deadline of the "notice" expired but the struggle against grafters and bribe takers has not ended yet and will continue in a sustained and long-term manner. From now on, we will further extensively and deeply mobilize the masses to expose and denounce criminal cases; resolutely investigate and handle economic criminals, such as grafters and bribe takers; and pay particular attention to resolutely dealing blows to the criminal offenders who refuse to give themselves up and frankly confess their crimes.

Leniently handling those who frankly confess their crimes and strictly punishing those who refuse to confess their crimes is our consistent policy. Although the deadline of the "notice" expired, the door of confession has always been open wide. Those who voluntarily surrender themselves to procuratorial organs according to the regulations of the criminal law shall be punished leniently according to law or be exempt from criminal sanctions with the premise that the degree of leniency will not be as large as that within the deadline of the "notice."

Inner Mongolia Arrests 121 Economic Criminals

SK0812020989 Hohhot NEIMENGGU RIBAO in Chinese 17 Nov 89 p 1

[Text] On 9 November, procuratorial organs throughout the region took unified action to arrest and detain 121 economic criminals guilty of corruption and bribery and who refused to turn themselves in and frankly confess their crimes within the deadline mentioned in the notice issued jointly by the Supreme People's Court and the Supreme People's Procuratorate in a vain attempt to get by under false pretences. The notice frightened a large group of criminals in the region and enabled them to choose the road of frankly confessing their crimes in order to receive lenient treatment. Many criminals, however, still stuck to the idea of trusting luck and never giving thought to repentance. While stepping up efforts to handle criminals who turned themselves in and frankly confessed their crimes within the deadline set by the notice, the procuratorial organs at all levels throughout the region adopted resolute measures toward those criminals who showed no signs of repentance. According to statistics, among the captured embezzlers, bribe-takers, and economic criminals, four persons were criminals at the county and section level. Among the cases involving 121 criminals, a third were major cases involving more than 10,000 yuan. He Zhongchang, director of the Baotou City Chemical Industrial Bureau, abused his position and power to receive bribes totaling

some 10,000 yuan. But during the time of the deadline set by the notice, he showed no signs of repentance. This time, he was arrested.

Economic Criminals Arrested in Baotou City

SK0812014589 Hohhot NEIMENGGU RIBAO in Chinese 18 Nov 89 p 1

[Excerpt] Of the 20 economic criminals who had refused to confess their crimes within the deadline of the "notice" of the Supreme People's Court and the Supreme People's Procuratorate, 19 were arrested by the Baotou City procuratorial organ on 9 November, (with one fleeing to some other place). Of these 19 criminals, 4 are of county and section level.

Within the deadline of the "notice," 30 criminals guilty of embezzlement, bribery, and other economic crimes confessed their crimes in Baotou, surrendering more than 1.36 million yuan in illegal earnings. Of this amount, some 500,000 yuan of illicit money and stolen property has already been recovered. In a few districts, however, not a single lawbreaker or criminal surrendered himself to the procuratorial organ, and not a single cadre of the county and section level, who had been exposed and reported by the masses, confessed his crimes.

The criminals currently arrested by Baotou City included nine persons who each embezzled 10,000 yuan or more, and five persons who each took 10,000 yuan or more in bribes. Wu Zhe, director of the Baotou City supply and marketing cooperative, embezzled 30,000 yuan to buy a car for his son. Instead of surrendering himself to the procuratorial organs, Wu Zhe reached an agreement between his partners in crime not to give each other away. Moreover, he fled to some other place on 8 November. The Baotou City Discipline Inspection Commission has decided to dismiss him from all his posts within and outside the party. He Zhongzhang, director of the Baotou City Chemical Industrial Bureau, accepted 10,000 yuan in commissions from the labor service company under the No 2 City Chemical Industrial Plant in August 1988. During the period of surrender provided by the "notice," he requested pertinent personnel to shield his crimes on many occasions, and then reached an agreement with his partners in crime not to give each other away. Hou Gang, former chief of the education section under the No 2 City Metallurgical Industrial Bureau, obtained 10,000 yuan in public funds by cheating in the name of offering financial assistance to a certain university, and used this amount of money for his son's university tuition. [passage omitted]

Inner Mongolia Conference Targets Social Vices

SK2911033389 Hohhot Inner Mongolia Regional Service in Mandarin 1130 GMT 25 Nov 89

[Text] This morning, the autonomous regional government held a regional telephone conference on wiping out the six social vices, including prostitution and visiting

prostitutes. Ma Zhenduo, director of the regional political and legal committee, and Wen Jing, vice chairman of the region, attended the conference. Wen Jing made a (speech) on wiping out the six social vices. He said that, to successfully wipe out social vices through concerted efforts, the region has established a leading group for wiping out the six social vices. All leagues, cities, banners, and counties should also establish corresponding organs to conduct this work in a vigorous, meticulous, and realistic manner under the unified leadership of the regional party committee and the regional government, and should strive to yield results from this work.

Because the six social vices exist in various localities in varying degrees, Wen Jing said we should not only make universal arrangements for wiping them out, but also give prominence to major areas. Through the current centralized and unified campaign, we should strive to punish a number of criminals according to law, ban a number of units providing places and conditions for criminal offences, clean up those units where the six social vices run rampant [words indistinct], and rescue a number of wrongdoers so as to educate the vast number of the masses and promote further improvement in the social atmosphere and public order. To arouse the people's enthusiasm in struggling against lawbreakers and criminals, all localities should deal accurate, stable, and stern blows to all kinds of lawbreakers and criminals based on facts and laws, and should be lenient to those criminals who surrender themselves to justice and provide clues for solving other crimes in order to honor policies.

Wen Jing pointed out that, by simultaneously discovering root causes and correcting vices, we should strengthen comprehensive administration in all fields. Propaganda, culture, education, justice, and administration departments should make greater efforts to penetratingly spread ideological, moral, and legal education among a vast number of the masses, cadres, and workers in order to form a situation in which the entire society makes concerted efforts to administer public order.

Wen Jing emphatically pointed out, in conclusion, that the six social vices have a direct bearing on the mental and physical health of the vast majority of the masses, and on youngsters in particular, adversely affect the healthy development of the quality of the whole people, and will thus entail untold troubles. Party committees and governments at all levels should therefore list the work of wiping out social vices as an item on their daily agenda, and all pertinent departments should also share out this work and cooperate with one another under the unified leadership of the regional party committee and the government, in order to make new contributions to improving the economic environment, rectifying the economic order, deepening reform, and safeguarding the social stability of the region.

Also speaking at the conference were responsible comrades of the regional public security department, the regional Higher People's Court, the regional People's

Procuratorate, the regional judicial department, and the regional women's federation.

NORTHEAST REGION

Harbin Authorities Arrest 14 Economic Criminals

SK2911052189 Harbin HEILONGJIANG RIBAO in Chinese 10 Nov 89 p 3

[Excerpt] On the morning of 9 November, the Harbin City procuratorial organ arrested 14 economic criminals who refused to surrender themselves to the procuratorial organs within the deadline fixed by the "notice" of the Supreme People's Court and the Supreme People's Procuratorate. These criminals will be severely punished according to law.

These criminals include Yan Yuchen, former director of the Harbin City railway subbureau; Shan Yonggui, deputy director of the Heilongjiang Provincial local railway bureau; Xiao Zhizhang, director of the machine and instrument research station of the Heilongjiang Provincial Industrial and Commercial Bank (at the section level); Ge Dengzhou, director of Harbin's Pingfang branch of the People's Construction Bank of China; Wang Yanfang (female), chief of the funeral and marriage affairs section under the Heilongjiang Provincial Civil Administration Department; Zhang Taoqing, deputy director of the Anbu agency under the Harbin City Industrial and Commercial Bank; Wang Xudong, accountant of the Taipingqiao Agency under the Harbin City Industrial and Commercial Bank; Wang Qiuhua (female), manager of the information section under the Harbin City industrial products trade center; Zhao Lifu, chief of the construction section of the capital construction office under the Heilongjiang Provincial Physical Culture and Sports Committee; Lu Zuxun, chief of the materials section of the capital construction office under the provincial Physical Culture and Sports Committee; Dong Shengyou, deputy chief of the construction section of the capital construction office under the provincial Physical Culture and Sports Committee; Jin Mingzhe, managerial clerk of the state engineering team under the Heilongjiang Provincial Geological Bureau; Yu Ximin, director of the second residential construction zone in Daoli District of Harbin City; and Lang Qiulin, deputy director of the second residential construction zone in Harbin's Daoli District. These criminals were arrested by procuratorial organs according to law for being guilty of embezzlement, bribery, and misappropriation of public funds. [passage omitted]

Heilongjiang Holds Conference on Examining Cadres

SK2611053589 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 17 Nov 89

[Text] On the morning of 17 November, the provincial party committee held a telephone conference to work out specific requirements for examining cadres at or above

the county and section levels, exchanging cadres, and appraising party members through democratic discussions.

(Meng Juqiang), director of the organizational department of the provincial party committee, presided over the conference. Xie Yong, member of the Standing Committee of the provincial party committee and secretary of the provincial discipline inspection commission, attended the conference. Wang Haiyan, deputy secretary of the provincial party committee, made a speech at the conference.

Comrade Wang Haiyan first talked about the issue of examining cadres.

He emphasized, "We must place stress on the word 'accuracy' in examining cadres. We should conscientiously grasp the criteria for cadres, resolutely change the tendency of ignoring cadres' revolutionary nature, and pay attention to examining the quality of cadres."

While touching on the issue of exchanging cadres, Wang Haiyan said, "First of all, we should upgrade our understanding about the exchange of cadres and define the ideology for guiding the work. The general guiding ideology for exchange of cadres is to bring about advantages to cadres' work and the growth of cadres. In the principle of positiveness and reliability and on the premise of basic steadiness, we should strive to widen, as much as possible, the scale of exchange of cadres; and should make early arrangements for the work. We should regard the exchange of cadres as a practical step and a major measure for educating cadres and upgrading their quality, eliminating unhealthy practices, strengthening the improvement of administrative honesty, perfecting the structure of cadres, and creating a new situation in work. We should encourage cadres to conscientiously tide over difficulties and to temper themselves and do pioneering work in difficult circumstances. We should have the cadres understand that whether or not they are submitted to the exchange is a test for them.

In regard to the issue of appraising party members through public discussions, Wang Haiyan said that the basic goals of appraising party members through public discussions are to upgrade the quality of party members, to maintain the advanced nature and the purity of party organizations, and to upgrade the combat effectiveness of the party. On no account do we aim only to punish some undisciplined party members.

Comrade Wang Haiyan stressed that, in appraising party members through democratic discussions, we should strictly enforce discipline and persist in the criteria. We must measure party members only in line with the criteria, but must not lower the criteria. Those who should be punished must be punished and those who should be dismissed from the party must not continue to retain their party membership. Otherwise, the party organizations will not be pure or will lose their combat effectiveness, the masses will not be convinced, and the party organizations' prestige will be affected.

Comrade Wang Haiyan finally stressed that we should firmly attend to the work in these three fields, ensure the quality of the work, not carry out the work in a perfunctory way, and strive to make real results. Leading party groups and party committees at various levels should work in line with the requirements laid down at the 4th and 5th Plenary Sessions of the 13th CPC Central Committee; carry out the guidelines of the instructions of the party Central Committee and the provincial party committee regarding strengthening party building, examining cadres, and appraising party members through democratic discussions; and ensure the progress of the province's work in all fields.

Pornography Subject of Heilongjiang Conference

*SK2911050189 Harbin HEILONGJIANG RIBAO
in Chinese 3 Nov 89 p 1*

[Text] On the afternoon of 2 November, the provincial party committee and the provincial government held a provincial telephone conference on launching the antipornography campaign in depth and comprehensively clearing up social rubbish.

Zhou Wenhua, deputy secretary of the provincial party committee, and Huang Feng, vice governor of the province, spoke at the conference.

In summarizing the earlier stage of the antipornography campaign, Vice Governor Huang Feng pointed out that, with the attention of party committees and governments at all levels, and under the close coordination of all departments, the campaign against pornography has been intensified step by step in the province. By the end of October, some 800,000 copies of pornographic books and magazines and some 40,000 obscene audiotapes and videotapes were confiscated, and a total of 181 centers marketing and projecting pornographic publications and obscene audiotapes and videotapes in violation of regulations were shut down and punished throughout the province. Some of the people involved in such activities have been punished through labor reeducation, fines, and criticism; and more than 140 criminals have been arrested or detained for trial. At the moment, the province's publications market is much cleaner than in the past, and this has satisfied the masses.

Huang Feng set forth six requirements for the antipornography campaign in the next stage. First, we should further enhance our understanding, and be determined to carry out this campaign through to the end. The third enlarged session of the 6th provincial party committee regarded the antipornography campaign as one of the 10 tasks for implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. Therefore, the antipornography campaign should never be given up half way through. Second, we should track down to the bottom major and appalling cases by following clues, and deal stern blows to criminal gangs and criminal offenders. Third, we should vigorously control the weak links and spread this campaign to all areas. Postal and

telecommunications departments should keep uppermost in mind the social consequences and immediately consolidate and clean up their publications distributing units in order to straighten out their managerial ideology. All departments should take stock of their libraries and reading rooms, and those books and magazines which should be proscribed by formal decrees should be taken off bookshelves and should not be lent out. Fourth, we should pay attention to the problems of key areas and trades. The provincial authorities have designated Harbin, Qiqihar, Mudanjiang, Jiamusi, Daxinganling, and Heihe as key areas; and railway departments, post offices, publishing houses, collectively run publications wholesale departments, videotape projecting centers, and audiotape marketing centers have been named key trades. All localities should also define their own key areas and trades. Fifth, we should strictly enforce policies, and handle affairs in strict accordance with the regulations. Sixth, we should further strengthen leadership and strive to mobilize the enthusiasm of the broad masses of the people.

In preparing to thoroughly launch the antipornography campaign and wipe out the "six social vices," Deputy Secretary Zhou Wenhua pointed out: Over the past few years, Heilongjiang has inspected and banned on many occasions such vicious social phenomena and criminal activities as prostitution and the visiting of prostitutes, manufacturing and marketing obscene articles, congregation of people for gambling, privately growing opium poppies, using and trafficking in drugs, abducting and trading in women and children, and using feudal superstition to practice fraud, producing remarkable results in this regard. At present, however, the vicious social phenomena have not yet been brought under control. In line with the unified disposition of the Ministry of Public Security on wiping out the "six social vices" throughout the country, and in light of the actual situation of our province, Zhou Wenhua pointed out that party and government leaders at all levels should notice that all kinds of vicious phenomena will not only adversely affect the people's health, corrupt the social atmosphere, and disturb the social order, but will also seriously hamper economic construction and endanger the consolidation and construction of the people's democratic dictatorship. Therefore, the struggle against the "six social vices" is a major issue having a bearing on the future and destiny of the state and the people. Party committees and governments at all levels as well as pertinent departments should list the work of wiping out the "six social vices" as an item on their daily agenda, and pay attention to this work by regarding it as an important task at present. They should make full use of mass and propaganda media to profoundly reveal the serious harmfulness of the "six social vices." All localities should define their key areas and targets of inspection in line with their actual condition. In wiping out the "six social vices," all localities should conscientiously implement the principle of dealing with cases as swiftly and severely as possible, and should bring the arrested criminals to trial as quickly as possible. All localities

should race against time to formulate programs and make arrangements for wiping out social vices in order to lay a good foundation for comprehensive administration over social order and public security.

Jiamusi City Destroys Large Stock of Pornography

SK0312050089 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 30 Nov 89

[Excerpts] This morning, Jiamusi City held an open trial on antipornography and the investigation of repulsive phenomena. At the trial, 14 fugitive criminals were sentenced to reeducation through labor. Two large trucks were loaded with more than 50,000 pornographic books and magazines, which were to be delivered directly to the papermill to be turned into pulp. A number of obscene audiotapes and videotapes were destroyed and many places where obscene video films were played were banned. [passage omitted]

During the past month or so, relevant departments in Jiamusi City investigated and handled a total of 62 antipornography cases in an effort to check repulsive phenomena, dealt with 205 persons involved in the cases, and confiscated more than 54,000 yuan of gambling money.

Jilin Reviews Autonomous Law for Minority Regions

90ON0187A Changchun JILIN RIBAO in Chinese 22 Oct 89 p 3

[Article by Cui Lin (1508 2651): "Enrich and Develop Marxist Theory of Nationality in Practice—Plus Several Issues on the Implementation of Autonomous Law in Jilin's Minority Regions"]

[Text] Jilin is a multinational province with 35 minority nationalities and Han as the majority. Minority population and its ratio to Jilin's total population both rank ninth in China. Many minority nationalities live scattered throughout the province, and some areas exercise regional national autonomy. It is thus obvious that the nationality issue has an important position in our province and the development of national undertakings is an important component of the four modernizations in Jilin.

In the past 40 years since the founding of the PRC, minority areas have witnessed historical changes. Comparing 1988 with 1952, the total industrial and agricultural output value of Yanbian, Qian Gorlos, and Changbai autonomous areas increased 10.4-fold. In 1988, the average income of farmers and herdsmen in these areas reached 537, 683, and 913 yuan, respectively. As the economy develops, minority education, science and technology, culture, public health, physical education, and other undertakings have also made enormous progress. This is a great victory of the party's theory and policy on nationalities.

Forty years of experience has proved that the party's policy on regional national autonomy is completely correct and that it is the basic way to vitalize minority nationalities.

The nationality issue is a complex social issue facing many countries. The basic reason why China has properly resolved the nationality issue is that our party has formulated and implemented the autonomous policy of minority region in accordance with Marxist basic tenets on the nationality issue and China's reality. Between 1952 and 1988, Jilin Province established Yanbian Korean Autonomous Prefecture, Qian Gorlos Mongol Autonomous County, Changbai Korean Autonomous County, and Yitong Man Autonomous County and enabled 50.7 percent of minority nationalities to realize regional autonomy. At the same time, Jilin also established 32 minority townships in areas where multiple nationalities were scattered. Regional autonomy has fully guaranteed the equal rights of minority nationalities, given an impetus to the formation and development of socialist national relations, and promoted various undertakings in minority areas. The implementation of the autonomous law of minority areas has pushed regional autonomy to a new stage. We should conscientiously sum up experiences and lessons in this regard, continue to enhance the awareness of enforcing the policy of national autonomy, and strive to help autonomous areas accelerate the development of socialist construction. At the same time, we should pay attention to doing a good job in the nationality work of multinational areas. We should understand that in nature minority townships and towns "are grassroots political powers different from ordinary townships." We should "adopt concrete measures compatible with national characteristics" to strengthen leadership, and vigorously support and help them develop and advance.

Common prosperity relies on vigorously developing productive forces, and adhering to "one center and two basic points" is undoubtedly the basic guiding principle for nationality work.

The practice of national development in Jilin Province tells us that the most basic way to narrow the gap is to accelerate economic and cultural development. Poverty is not socialism. Poverty can never eliminate the difference left over from history and now existing in different degrees between different nationalities. Common prosperity relies on vigorously developing productive forces. The line of the 3d Plenary Session of the 11th CPC Central Committee has cleared the road for us in reviewing this issue and pointed out a clear orientation for national development. This line is "one center and two basic points" as covered by the 13th party congress. It is the general principle for the building of Chinese-style socialism as well as the basic guiding ideology for nationality work.

Jilin's minority nationalities live in a vast area. Many live in border areas, mountains, semimountainous areas, grassland, and pastoral areas where resources are abundant. On the base formed in the past 40 years, these areas

have great conditions to carry out further reform and open up. The general guiding principle for doing a better job in the reform and opening up in Jilin's minority areas should be: Minority areas should, "under the guidance of the state plan, voluntarily manage and arrange local economic construction undertakings." They should strive to expand intensive reproduction while properly expanding extensive production. They should also strive to increase economic returns while ensuring a certain growth rate so as to enable their current labor productivity to gradually reach or surpass the provincial average level. As far as external factors are concerned, provincial authorities (and cities and prefectures with jurisdiction over autonomous counties) should increase their aid. In accordance with the relevant regulations of autonomous law, state organs with jurisdiction over autonomous areas should conscientiously carry out their responsibilities in this regard, give every possible consideration to the characteristics and needs of minority areas, and vigorously support them in policy, planning, investment, and technology to help minority areas develop and utilize resources and do a good job in economic construction. The development and opening of east and west regions, which are already under way, concern the economic development of minority areas and are of great significance to Jilin's economic construction. The building of Huichun Special Economic Zone and the restoration and construction of the Tumen River port, in particular, urgently need the full attention of the departments concerned. Great efforts should be made to do a good job in this regard. In addition, we should pay attention to the work of helping the poor among minority nationalities and, through economic development, enable them to escape poverty and become rich as fast as possible. Our regional national autonomy is an autonomy preconditioned by adhering to the leadership of the CPC and the unification of our motherland. The four basic principles are the basic guiding ideology for the autonomous law of minority areas. The purpose of various principles and regulations of the autonomous law on national relations is to strengthen national unity and consolidate the unification of the country and to fight for the greatest interests of most people of all nationalities—namely the socialist modernization of the state and the common prosperity of all nationalities. Without this regulation, the four modernizations will come to nothing, and nothing will be accomplished in the undertakings of minority nationalities.

National revitalization and the improvement of national quality are conditions for each other, and vigorously training minority cadres and professionals is urgent and extremely important.

Training a large number of minority cadres and professionals is the consistent policy of the state and the party. It is a basic issue in practicing regional national autonomy. After 40 years of relentless efforts, Jilin Province now has a minority cadre rank of nearly 88,000 people. A large group of outstanding people among them have assumed leading posts at different levels. In autonomous areas, the cadre ranks are composed mainly of

cadres of autonomous nationalities. In multinational areas, the ratio of minority cadres at all levels to all cadres is also close to or has surpassed the ratio of minorities in the population. Practice has proved that in managing the internal affairs of their own nationalities, the role of minority cadres cannot be replaced by cadres of any other nationalities. We should fully understand this characteristic of minority cadres and continue to develop and expand the ranks of minority cadres.

The development of economic construction has made the demand for talented people increasingly urgent. This is more so in minority areas. Judged from some comparable indexes, such as the proportion of illiterates in the total population and the number of college students in every 100,000 people, the situation in minority areas as a whole is not any worse than that in Jilin Province. However, the ratio of engineers and technicians is obviously lower than on the provincial level. Enterprise management personnel in particular are very scarce. This has become an extremely urgent issue. Personnel and education are closely related. We need to proceed from the angle of strategy, accelerate the development of minority educational undertakings, and continuously provide human and intelligent resources for minority areas and national undertakings.

Strengthen the building of democratic legal system and protect the basic rights of minority nationalities.

In the past 5 years, Jilin Province has made great progress in the building of a minority legal system centered on the implementation of autonomous law. In 1985, the 14th Standing Committee meeting of the Sixth Jilin Provincial People's Congress approved the regulations of autonomy for Yanbian Korean Autonomous Prefecture, which was the first of its kind in Jilin and in China. These regulations summed up over 30 years of successful experience in practicing regional national autonomy, embodied the political, economic, and cultural characteristics of the local nationality, and was unanimously praised by the minority legal circle at home. Since then, regulations on Yanbian's Korean language work and regulations on protecting minority rights and interests have been formulated. Autonomous regulations for the three counties of Qian Gorlos, Changbai, and Yitong and minority townships and towns are being formulated with great effort. While formulating local minority laws, the Standing Committees of the People's Congress of Jilin Province and autonomous areas have strengthened supervision over the implementation of autonomous laws, promoted the implementation of autonomous laws and various party policies on nationalities in our province, and effectively protected the equal and autonomous rights of minority nationalities. However, the building of a minority legal system is still in a preliminary stage, and our current and future tasks are extremely arduous. After summing up Jilin's experience in the past few years of national legislation, we feel that national laws involve a wide range of areas and are difficult to coordinate. Leading cadres of the departments concerned should pay adequate attention to

this issue and proceed from the situation of minority undertakings as a whole and integrate work in their own department to conscientiously implement the relevant regulations of the autonomous law of minority areas. They should adopt effective measures regarding the delegation of power and interests to make due contributions to promoting Jilin's minority legislation.

Perfecting the autonomous system of minority areas is an undertaking for the entire nation and needs constant education in national policies among the cadres and masses of all nationalities.

Implementing the autonomous law of minority areas is a long-term task. In the course of gradually perfecting the autonomous system of minority areas, special attention should be paid to strengthening the education of cadres and masses of all nationalities in Marxist concepts of nationality and party policies on nationality to gradually engrain the idea that minority and Han nationalities are inseparable.

Jilin has a fine tradition of national unity. We should safeguard and strengthen national unity as we cherish our own eyes. We should continue to enhance the awareness that all nationalities are equal, oppose national discrimination and prejudice in all forms, and oppose any word or action that is harmful to the common interests and undertakings of all nationalities. Everyone must say and do more things to safeguard national unity and fully arouse the enthusiasm of people of all nationalities to contribute to accelerating the four modernizations and revitalizing Jilin.

Jilin Party Secretary Emphasizes Investigations, Research

90ON0186B Changchun JILIN RIBAO in Chinese
20 Oct 89 pp 1, 2

[Report by reporter Liu Tong (0491 1749): "Vigorously Encourage the Practice of Conducting Investigations and Research—He Zhukang (0149 4554 1660) Urged at the Jilin Provincial Experience Exchange Meeting on Investigation and Research Work"]

[Text] At the Jilin Provincial Investigation and Research Experience Exchange Meeting, which concluded on 20 October, He Zhukang, secretary of the provincial CPC Committee, urged the party committee to enhance understanding and pay special attention to considering investigation and research as the basic link of leadership and vigorously encourage the practice of conducting investigations and research throughout the province.

While talking about ways to do a good job in investigation and research, Comrade He Zhukang pointed out that Comrade Jiang Zemin's National Day speech is the programmatic document for guiding the work of the whole party. Conscientiously studying and implementing the guidelines of this speech is of great significance to unifying the thinking of the whole party and all

peoples of China, inspiring them to overcome difficulties, stabilizing and developing the current political and economic situation of China, considering economic construction as the central task, adhering to the four basic principles, reform, and the open policy, and building Chinese-style socialism. Currently, party committees at all levels and the broad masses of cadres and people throughout the province are conscientiously studying the National Day speech and using the guidelines of the speech to unify their thinking and action. How to further deepen the study and materialize the guidelines of the speech are an important task of current investigation and research work. On the basis of study and in light of local reality, party committees at all levels should conduct investigation and research in a planned and step-by-step manner, turn the guidelines of central government instructions into enforceable policy regulations and implementation plans, and find down-to-earth solutions to problems arising in the course of advance. The National Day speech mentioned 10 important issues of current party and state work that require unified understanding. These issues involve political, economic, cultural, party building, and other aspects. They also involve a series of principles and policies. They are all major tasks of our investigation and research work. They also require that we work out concrete measures of implementation on the basis of deepening the study and conducting investigation and research. At the same time, we should deepen our understanding of the central government's line, principles, and policies by integrating theory and practice, further enhance the regularity in our understanding of the party's basic line and effort to build Chinese-style socialism, overcome blindness, and increase awareness in order to smoothly accelerate the development of socialist undertakings. After the disturbance and counterrevolutionary revolt was quelled, Comrade Deng Xiaoping pointed out that we need to sum up the past and think of the future. The task we are facing is extremely arduous. The task of investigation and research has become increasingly important. We must use the National Day speech as our guide, keep a cool head, and adhere to the correct direction. In accordance with the ideological line of seeking truth from facts, we must put forward practical measures and methods, carry forward the practice of maintaining close ties to reality, and closely combine the efforts to enhance understanding and promote work. In studying and implementing the National Day speech, we should carry forward the fine practice of integrating theory with reality. We should maintain close ties to the reality of construction and reform and the reality of work in our locality, department, and unit so as to unify our thinking and work in accordance with the line, principles, and policies of the CPC Central Committee. Party committees at all levels must consider investigation and research as an indispensable working method and as an important means to improve party building, and must do a conscientious job tied closely to local reality. We should ensure that decisions on major issues are not made without conducting investigation and research, comparing two or more plans, and conducting feasibility studies. When

evaluating the work of party committees at lower levels, party committees at higher levels should examine the process of forming major policy decisions and the success rate of policy decisions and use it to judge the level of leadership and the quality of work.

While talking about ways for party committees at all levels to do a good job in investigation and research, Comrade He Zhukang said that leading cadres should go down deeply into grassroots units to carry out investigation and research. The task we are facing in our work is very heavy. There are many very complicated things for us to do. Cadres in leading positions at all levels have heavy responsibilities and are particularly busy. However, since some comrades are busy every day attending meetings, reading, and signing documents, they do not have time to go to grassroots units to carry out conscientious investigation and research. Because of this, they cannot have a profound and full understanding of the situation in their own locality and unit, their goals are unclear, their ideas are often impractical, and they fail to focus on the crucial facets of work and concentrate their energy on the key point. Some comrades oversimplify things when they give work guidance and handle issues. They direct like a traffic cop—stop or go—instead of drawing inferences about other cases from one instance and studying how to increase work efficiency. Some comrades often emphasize one aspect and ignore another. To better fulfill the arduous and complex task under the new situation and do a good job in all tasks of our province, leading cadres at and above the county level should spend more time to get deeply involved with reality and the masses, carry out conscientious investigation and research, get hold of firsthand information, have a timely understanding of actual conditions, discover and sum up the new experiences of the masses, and seek true knowledge. They must adhere to the principle that investigating means solving problems. They must not be limited to understanding and summing up the situation. What is more important is to conduct analysis and study, set forth policies and measures to solve problems, and organize forces to enforce them on the basis of investigating and understanding the situation. After a major problem is appraised accurately, they must concentrate their efforts on solving it and ensure that it is a success. For instance, they must seize the task of changing agricultural production conditions and carrying out high-yield and stable-yield farmland capital construction, and ensure that it is a success. To do a good job in investigation and research, they must conscientiously study Marxism-Leninism and Mao Zedong Thought, especially Marxist philosophy, raise the theoretical level, and use the basic stand and viewpoint of Marxism to guide investigations and research. Leading cadres should set an example by personally conducting investigation and research. They should also urge, through effective methods, the broad masses of cadres to vigorously conduct investigation and research activities.

Comrade He Zhukang also mentioned the need to give full play to the role of investigation and research departments in policymaking by party committees. First, we

should strengthen the leadership of party committees in research departments. Main leading comrades of party committees should be personally involved in the work of research departments, find research subjects for research departments, discuss questions with investigation and research personnel on the basis of equality, and lead research personnel in conducting investigations so that investigation and research personnel operate on the same level as the thinking and work of main leading comrades. Second, research departments of party committees at all levels should have a clear guiding ideology of work, develop their initiative and enthusiasm, and strive to improve the quality of work. Third, we should improve the contingent of party committee research departments, enhance the sense of responsibility and honor of investigation and research personnel, show concern for their work and life, solve some practical problems, and strive to build research departments into the base of cadre training and transfer. Fourth, we should create necessary working conditions for research departments.

In conclusion, Comrade He Zhukang said, "I hope that we can spread good experience through this meeting and vigorously encourage the practice of conducting investigation and research throughout the province, continue to raise the level of our understanding and work, and push all work of our province one step forward."

Also attending this meeting were officials of departments concerned at the provincial level, including Du Qinglin [2629 3237 2651], deputy secretary of the provincial CPC Committee; Wu Yixia [0702 0076 0204], Standing Committee member of the provincial CPC Committee and secretary of the Changchun Municipal CPC Committee; Ren Junjie [0117 0193 2638], secretary general of the provincial CPC Committee; Li Yaquan [2621 0068 3123], director of the policy research department of the provincial CPC Committee.

Others attending this meeting were responsible comrades of city, prefectural, and autonomous prefectural CPC Committees and policy research departments.

Jilin Forum Stresses Media Role in Theoretical Propaganda

90ON0186A Changchun JILIN RIBAO in Chinese
12 Oct 89 p 1

[Report by Cheng Xiang (0701 4382) and Hong Qi (4767 2475): "We Should Fully Understand the Role of News Media in Theoretical Propaganda—Points Out the Forum of the Jilin Provincial CPC Committee's Propaganda Department on Theoretical Propaganda Work"]

[Text] Recently, the Jilin Provincial CPC Committee's Propaganda Department held a forum on theoretical propaganda work in Qian Gorlos County. Comrades involved in theoretical propaganda work of various news agencies conscientiously discussed the issue of how to do a good job in theoretical propaganda under the new situation of socialist modernization and socialist reform

and opening up, exchanged experiences, and studied problems in theoretical propaganda work.

We Should Fully Understand the Position and Role of Theoretical Propaganda of News Media in Marxist Theoretical Construction

Comrades participating in the forum held that the theoretical propaganda of news media has an important position and role in Marxist theoretical construction. Its transmission speed is fast. It can reach a wide range of readers, listeners, and audience. It has an irreplaceable role. Since the 3d Plenary Session of the 11th CPC Central Committee, comrades engaged in the theoretical propaganda of news media in Jilin Province have played a positive role and have done a large amount of work conducting education in Marxist ideology and theory. Even during the previous difficult period when ideological, political, and Marxist education was weakened, they still held firmly to their position and won over readers, listeners, and audience. Provincial and local newspapers have published a large number of theoretical articles in their theoretical columns. Provincial and local radio stations have also sponsored various theoretical propaganda programs to be broadcast during morning "prime time." Since 1978, JILIN RIBAO has published over 500 theoretical columns and over 3,000 theoretical articles. BAICHENG RIBAO started the theoretical column "Study and Explore" in early 1986 and has published 42 issues and over 300 articles. Closely rallying around the central work of the party and in light of the ideological and work reality of the broad masses of cadres and people, these theoretical articles and broadcast scripts have publicized and expounded the lines, principles, and policies of the party adopted since the 3d Plenary Session of the 11th CPC Central Committee. As of today, they have not published one article that advocates bourgeois liberalization. Practice has proved that this contingent of ours is good and reliable.

We Should Further Clarify the Main Tasks of Theoretical Propaganda Work for Sometime To Come

Comrades participating in the forum held that the theoretical propaganda work at present and for sometime to come should be carried out mainly around four tasks:

1. We should concentrate on popularizing the basic tenets of Marxism and on improving the theoretical quality of cadres and the masses to help more readers, listeners, and audience grasp Marxist scientific world outlook and methodology.
2. We should use the basic tenets of Marxism to expound the lines, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee.
3. We should conduct in-depth and sustained education in adhering to the four basic principles and opposing bourgeois liberalization and refute various erroneous concepts of bourgeois liberalization.

4. We should get a firm hold of issues of common concern to cadres and the masses and explain them in light of theory and practice.

We Should Continue To Sum Up Experiences, Strengthen Self-Improvement, Update Theoretical Propaganda Techniques and Standards, and Pay Attention to the Actual Effect of Propaganda

In recent years, comrades engaged in theoretical propaganda work have conducted bold exploration and study on the actual problems of theoretical propaganda, such as attracting few readers and writers and the difficulties of editors, and gradually found some new methods and ways. First of all, they have paid attention to improving their own understanding of Marxist theories, studied conscientiously, carried out in-depth investigation and research, kept in touch with reality, had a timely understanding and good grasp of theoretical and practical issues that are of concern to the broad masses of people, and accurately selected the issues of theoretical propaganda. Second, they have adopted lively forms to attract more readers, listeners, and audience and to gradually raise people's interest in theory. In recent years, BAICHENG RIBAO has paid attention to integrating ideology and knowledge with interest in theoretical propaganda. In view of the characteristics of broadcasting, the provincial radio station has stressed the aspects of science, popular interest, image, colloquialism, and harmonious scenes. In view of the characteristics of the wide variety of newspaper readers, JILIN RIBAO has started "Notes on the Standards of Productive Forces," "Invitation for Questions and Answers," "the Study Column of Local Theoretical Study Centers," and the "New Horizon Academic Column" to strive to satisfy the needs of all levels and make theoretical articles as close to life and the masses as possible. Using the characteristic of the lively image of television, the provincial TV station started the "Let's Talk" program, which is to let the people come out and talk about their own understanding and experience concerning heated issues, problems, and questions that are of concern to the masses of people so as to guide the people to observe and understand issues from the theoretical point of view. All this has achieved excellent results and has been welcomed by all circles of society.

Yanji City Acts To Eliminate 'Six Evils'

SK2911052589 Changchun Jilin Provincial Service in Mandarin 1030 GMT 28 Nov 89

[Text] In its unified action to eliminate the six evils, Yanji City made an early start and took quick action. In a short period of some 20 days, it cracked and investigated 76 cases involving the six evils, caught 137 persons, and confiscated more than 20 obscene video products.

To achieve success in the battle against the six evils, the city held three meetings to inform the public, mobilize the masses, make arrangements, and establish a (?group) led by relevant leaders of the city to attack, investigate,

and ban the six evils. Public security departments acted quickly in coordination with the city, making it possible for groups of elements engaged in the six evils to be caught one after another. So far, under the unified plan of the Yanji City party committee and government, relevant departments of the city have won many victories in succession in the antipornography struggle, thanks to their coordinated efforts.

Jilin Higher Education Conference Defines Tasks

SK3011041489 Changchun JILIN RIBAO in Chinese 6 Nov 89 p 1

[Text] The provincial conference on the work of schools of higher learning concluded in Changchun on 4 November after a 2-day session. It was the third conference on this work held by Jilin after the suppression of the Beijing counterrevolutionary rebellion.

The Dongbei Teachers Training University and five other schools introduced their previous work and their arrangements for the next step.

Recently, extensive efforts were made in various schools of higher learning in Jilin to rectify the school order. As a result, the schools maintained strict style and discipline in examinations, placed the various aspects of education work under strict management, paid attention to improving school spirit, and purified the educational environment. Political education was conducted intensively for the masses of teachers and students. Leading bodies took the lead in the study sessions, backbone contingents at various levels were organized for training, and flexible and diverse measures were adopted for education, thus making it possible for the masses of teachers and students to markedly enhance their understanding, change their ideas and feelings, and earnestly carry out investigation and clean-up work. The various schools adopted some realistic and feasible measures, paid attention to improving the leading bodies, and further defined the leadership system in which the school president holds responsibility under the leadership of the party committee.

Provincial Vice Governor Liu Xilin spoke at the conference. He said that, for some time to come, the central tasks for the work of the schools of higher learning are to conscientiously pay attention to the study and implementation of General Secretary Jiang Zemin's national day speech, to conduct education on the three special subjects of the socialist road, the outlook on life, and the theory of knowledge for the purpose of adhering to the four cardinal principles and opposing bourgeois liberalization, and to strengthen and improve the teaching of Marxist theory. Continuous efforts should be made to carry out investigation and clean-up work, accelerate its pace, conduct ideological education in its entire process, pay attention to policies, and unite with and educate the majority. Leading bodies and party organizations of schools of higher learning should be further improved, and the party's role as a political nucleus developed. We should successfully carry out ideological and political

work regarding teachers; give play to their leading role when training personnel at schools; and strive to unite with, rely on and improve the quality of teachers. We should manage schools strictly, establish scientific systems for management, strictly enforce school regulations and discipline, and cultivate a good school spirit. We should adhere to the socialist orientation in the running of schools as well as to the principle of making schools serve economic construction. We should continue to advance educational reform, and fully develop the scientific and technological advantages of schools of higher learning so that they can serve the economic construction of the province.

NORTHWEST REGION

On the Question of Eastern Turkistan

40050709A Urumqi XINJIANG SHEHUI KEXUE
[SOCIAL SCIENCES IN XINJIANG]
in Chinese No 4, 15 Aug 89 pp 14-21

[Article by Cai Jinsong (5591 6930 2646), History Research Institute, Xinjiang Academy of Social Sciences; responsible editor, Qi Qingshun (7871 3237 7311): "In Commemoration of Ahmetjohn Kasimi"]

[Text] It has already been 40 years since Ahmetjohn Kasimi left us. On 27 August 1949, the outstanding leader of the three-prefecture revolution, on the eve of the birth of New China, responding to the invitation from the CPC Central Committee, was on his way with General Ihsack (Kirgiz nationality), Abdukerim Abbas (Uygur nationality), Dalilhan (Kazak nationality), and Luo Zhi [5012 1807] to Beijing to take part in the first session of the CPPCC [Chinese People's Political Consultative Conference] when their aircraft crashed and they were killed. Ahmetjohn Kasimi was 35 years old; he died in the days of his youthful vigor. When the sad news reached them, the people of all nationalities in Xinjiang, without exception, grieved. On 22 November 1949, Mao Zedong, chairman of the PRC central government, sent a telegram of condolence to the Xinjiang League for the Defense of Peace and Democracy, in which he said that "during their lifetimes they displayed a courageous fighting will for the cause of the liberation of the Xinjiang people, and in the end they sacrificed themselves for the cause of establishing the People's Republic of China. They are worthy of commemoration forever by all Chinese people." This was a comprehensive summation and high evaluation of the honorable lives of the five comrades, including Ahmetjohn Kasimi.

One of Ahmetjohn Kasimi's prominent characteristics in his life of battle was that he persisted in using the Marxist view on nationalities to educate the people, and on the nationalities question waged an unrelenting struggle against hostile elements and mistaken ideological trends of all descriptions.

I

Ahmetjohn Kasimi, Uygur nationality, was born on 14 April 1914 to a small handicraftsman's family in Tuogela Kulu, Ining County, Xinjiang. His father died when he was very young. He went with his uncle to huo er guo si [7202 1422 2654 2448] and then to ye er ken te [5102 1422 5146 3676] and a la mu tu [7093 2139 2606 0956] in the Soviet Union, attending school in all these places. In the summer of 1936 he was admitted to the Eastern Socialist Toilers University in Moscow, where he received a systematic education in Marxism-Leninism, which laid a solid ideological foundation for his dedication to the cause of revolution after his graduation.

On 28 June 1942, Ahmetjohn returned to China, and in Ining, with his work as a cover, worked for the revolution. In December 1943 he was arrested and imprisoned by Sheng Shih-ts'ai [4141 0013 2088] and the Kuomintang [KMT] authorities. In prison he was cruelly tortured and went through trials of life and death. After Wu Chung-hsin [0702 1813 0207] took charge of the Xinjiang government, Ahmetjohn was released from prison on 12 October 1944.

After being released from prison, Ahmetjohn went to Ili Prefecture and threw himself into the Ining revolution. In a hail of bullets he charged forward; in agitprop he sounded the bugle call encouraging the people to battle courageously. In the life-and-death struggle between the revolution and the counterrevolution, he matured rapidly and became one of the leaders in the three-prefecture provisional government and supreme military commission. In October 1945, representatives of the three prefectures—Ili, Tacheng, and Ashan—and representatives of the KMT government held peace talks. Ahmetjohn was, in reality, the chief representative of the three prefectures, and he conducted two-stage talks with the KMT representatives, which lasted a little over 140 days. Finally, on 6 June 1946, an 11-article peace agreement was signed. On 1 July, a Xinjiang provincial coalition government, composed of representatives of the central government, representatives of the three prefectures, and representatives of seven prefectures, was established, and Ahmetjohn became the vice chairman of the provincial government. This result was facilitated by many-sided factors. If there had been no three-prefecture revolution, if there had been no struggle by Ahmetjohn and the representatives of the three prefectures, there would have been no 11-article peace agreement, and also no establishment of the provincial coalition government.

After the peace agreement was signed, Ahmetjohn struggled for its implementation. On the 20th day after the signing of the Xinjiang peace agreement, Chiang Kai-shek mounted a large-scale siege of the liberated areas in the central plains, thereby launching a total civil war. Under these circumstances, the warlike elements among the Xinjiang ruling authorities did their best to sabotage the implementation of the peace agreement. In February 1947 they carried out the bloody February 25th Incident.

In May, propped up by advocates of the doctrine of pan-Turkey, Mesut Sabri rose to power and the provincial legislature was forcibly aborted. The armed struggle in revolt against reactionary KMT rule in Turpan, Toksun, Shanshan, and other places was bloodily suppressed. At the same time, Osman Batur, Kalibek, and other bandits were supported in their armed offensive against the three prefectures. Thus, the representatives of the three prefectures in the provincial coalition government were forced to leave Bihua [former name of Urumqi] and return to Ili, causing a yearlong rupture in the provincial coalition government.

On 12 August 1947 Ahmetjohn returned to Ili. There, on the one hand, he engaged in building the economy, military, culture, and education in the bases of the three prefectures; on the other hand, in the political and ideological domains, he educated the masses in the Marxist view on nationalities. Many of his articles and speeches, shining with the brilliant rays of the Marxist theory of nationalities, integrated the national revolutionary movement with the democratic revolutionary movement, thereby preparing the necessary conditions in ideology and cadres for a united, strictly disciplined organization that included revolutionary forces of all nationalities. On 1 August 1948, at his proposal, a "Xinjiang League for the Defense of Peace and Democracy" ("Xinjiang League" for short) was established in Ili. The Xinjiang League forces developed very fast. In less than a year it had a little over 50,000 members. Also, branches were established in Tacheng and Ashan Prefectures, and the league became a mass-type revolutionary organization with the political role of leading the three prefectures to continue the revolution. Ahmetjohn was the chairman of the Xinjiang League and concurrently its Central Organization Committee chairman. During this period he and Abdurkerim Abbas systematically sorted out the mistakes made in the nationalities question during the initial stage of the revolutionary movement in the three prefectures. They also did agitprop work on the motherland's unification, greatly raising the consciousness of the people of all nationalities and making ideological preparations to welcome the birth of New China.

In August 1949, Deng Liqun [6772 0500 5028], liaison man from the CPC Central Committee, arrived in Ili. Ahmetjohn and other leaders of the three prefectures gave him a warm welcome and cooperated with him in a straightforward and sincere fashion. They took as an unsurpassed honor Chairman Mao Zedong's conclusion that the three-prefecture revolution was a part of China's democratic revolutionary movement. They accepted with pleasure the invitation to attend the CPPCC session, and, on their journey east for the birth of New China, they shed the last drop of their blood.

II

The three-prefecture revolution was a national democratic revolutionary movement. It opposed and attacked the rule of the KMT reactionaries in Xinjiang. It pinned

down 100,000 KMT troops stationed in Xinjiang and coordinated with the war of liberation throughout China, making a contribution to the peaceful liberation of Xinjiang.

Like any large-scale revolutionary movement, in the initial stage of the three-prefecture revolution the composition of those taking part in the revolution was highly complex, with the good and the bad intermingling. In the leadership stratum of the three-prefecture revolution were Ahmetjohn, Abdurkerim Abbas, and other revolutionaries who had received a Marxist-Leninist education and who had a unified communist ideology, and there were also a small number of reactionaries from the feudal and religious upper stratum. In the initial stage of the revolution, the latter were, for a time, ascendent in leadership. On the nationalities question, they vigorously advocated the splitting of the nationalities' unity, causing contradictions between the nationalities. A representative figure of this small handful of reactionaries was Alihan Tore, chairman of the provisional government of the "Republic of East Turkistan." The true features of Alihan Tore were not discerned by the people for a time. He was the great mullah who fled to Xinjiang after the Russian October Revolution. Everywhere he went he practiced medicine and preached, and his speeches were highly inciting. He gave a narrow, reactionary nationalism the cloak of religion, and clothed himself as the representative of the interests of all nationalities, thereby deceiving many of the good and honest masses. The provisional government headed by him at its fourth session on 5 January 1945 passed the Nine-Point Declaration, the second point of which announced the establishment within the borders of East Turkistan of a truly free and independent republic. Obviously, this was an extremely serious political mistake. It ran totally counter to the fundamental interests of the people of all nationalities in Xinjiang, and also to the wishes of the people of all nationalities.

Centering on the question of East Turkistan, Ahmetjohn and other people carried out a long-term struggle against the reactionary viewpoint held by the handful of reactionaries headed by Alihan Tore. Because it was then wartime, the main energy of the three-prefecture revolution was put on the armed struggle to topple the KMT's rule. With regard to the masses who had been poisoned by reactionary ideology, it entailed a process of patient, painstaking, and arduous education. The people's attitude toward the true intentions as well as the reactionary positions held by Alihan Tore and others also entailed a process of understanding, and the struggle at this time could not be put in the main position, and it had to be carried out in a protracted, tortuous, and step-by-step fashion.

The so-called East Turkistan was originally just a geographical name and did not connote a political entity. East Turkistan is a term symmetrical with West Turkistan. Its boundary is the Ze la fu shan [3419 2139 1133 0810] River in Central Asia, on the west of which is West Turkistan and on the east of which is East Turkistan.

These were Central Asian countries subjugated by imperial Russia at the end of the 19th century. After the Turkistan Vice Royalty was established, the geographical term was coined. Actually, in some books not all of China's Xinjiang was called Turkistan; only that part of Xinjiang south of Tianshan Mountain was called Turkistan, or Chinese Turkistan. No matter what the case, this was only a geographical term. Later, to split China, the imperialists, with this ulterior motive, made East Turkistan a synonym for southern Xinjiang and then expanded its meaning to be a synonym for Xinjiang. They regarded it as a political entity disassociated from China. Their sinister intention was all too clear. In November 1933, plotted and propped up by British imperialism, the so-called Islamic Republic of East Turkistan was established in Kashi, Xinjiang, in a vain attempt to split Xinjiang from China. This was a short-lived splittist regime, and it lasted only a short 3 months before collapsing, fully showing how much support it enjoyed among the people of Xinjiang.

However, the small handful of reactionaries who wanted to split China never gave up the idea and, if they thought conditions were ripe, they would continue to make evil deals to split China. Alihan Tore made use of the good and honest people's increasing hatred of the KMT reactionaries by energetically advocating Xinjiang independence and saying nonsensically, "East Turkistan is our motherland. In this holy and pure land of ours, there is no share for the 'Black Uncles' (note: meaning the Han nationality and, by extension, China). Their national territory lies within the 3,500 kilometer-long Great Wall"; and that he himself was "the head of a country with a population of 7 million."¹ He called the correct judgment that "Xinjiang is an inseparable part of Chinese territory" a fallacy, and denounced the impartial people who advocated this judgment as "swindlers who manufacture history."² However, history in the end is not putty that can be molded at will by careerists with ulterior motives. It is an impartial judge before whom the correct and the incorrect, the truth and the falsehood, are solemnly and justly judged.

This viewpoint, which split the country's unity and advocated independence, with Alihan Tore as its representative, obviously ran totally counter to the national democratic revolutionary aim of the three-prefecture revolution, and was also extremely harmful, but for a time it had a considerable market. At the peace talks, Ahmetjohn and other other people on the one hand resolutely struggled against the KMT's Han chauvinism, and on the other hand upheld the viewpoint of the motherland's unity, discarding the name of East Turkistan and the plan for establishment of an independent Republic of East Turkistan,³ and agreeing, in the status of representatives of the Xinjiang special zone's people, to hold talks with Chang Chih-chung [1728 3112 0022] on the establishment of a Xinjiang provincial coalition government. This, of course, had an important relationship to Chang Chih-chung's opposition to the mediation of the Soviet consul in Dihua, but, fundamentally, it

could not be separated from the concept of the motherland's unity upheld by Ahmetjohn and other people. It is not difficult to imagine that Ahmetjohn and other people at that time were under enormous pressure and they needed to have a lot of nerve, courage, and boldness in doing this. In June 1946, Alihan Tore was finally cleared out of the three prefectures, which was a victory for the revolutionary forces of the three prefectures.

However, the struggle centering on the issue of East Turkistan was still tortuous, complex, and arduous. Even after establishment of the provincial coalition government, the reactionary viewpoint and activity that regarded East Turkistan as an independent political entity and that demanded the establishment of the Republic of East Turkistan did not disappear and cease. In this regard, at a provincial government symposium on 22 August 1946, Ahmetjohn clearly stated, "East Turkistan is nothing more than a geographical term and cannot be a theory for political activity. If someone takes it as such, he is an enemy of the provincial government and also an enemy of all the people of the province!"⁴ This statement of Ahmetjohn's was unanimously endorsed by those at the symposium, which was a heavy blow to the splittists. What a major impact this statement of Ahmetjohn's, a representative of the three prefectures and vice chairman of the provincial government, had! On the same day Ahmetjohn said to Chang Chih-chung, the concurrent provincial chairman, "Xinjiang is a component part of China, the three prefectures are a component part of Xinjiang, and Ili is the place where we were born and where our ancestors are buried. China is our motherland and our native place."⁵ On 25 August 1946, when speaking at a meeting of intellectual youths held by the Uygur Language Society's Cultural Club in Dihua, Ahmetjohn said: We and the Han nationality "are nationals of one country."⁶ On 1 August 1948, in the declaration founding the Xinjiang League, for the first time the name East Turkistan was changed to Xinjiang. In October 1948, Ahmetjohn solemnly declared: "Ili has absolutely no intention of breaking away from China."⁷ He added, "After the signing of the peace treaty on 6 June 1946, the East Turkistan provisional government was dismissed, after which, from first to last, there has been no more propaganda for East Turkistan independence."⁸ By his actions Ahmetjohn fully displayed the pure heart of a revolutionary.

III

After the Xinjiang provincial coalition government was established, to get out of his predicament Chang Chih-chung requested that he be relieved of his post as chairman of Xinjiang Province, a post that Masut Sabri then took. But Mesut Sabri's rise to power was strongly opposed by representatives of the three prefectures headed by Ahmetjohn, an opposition that Chang Chih-chung had not expected, but it was impossible for him to have the order retracted. This affair in the end became one of the main reasons for the breakup of the provincial government.

Mesut Sabri was a pan-Turkey element who was anti-Soviet, anticommunist, and anti-Han. Born in 1888, when he was 16 he went to Turkey to study and graduated from Constantinople Medical University. During his stay abroad he was influenced by the pan-Turkey and pan-Islam doctrines, and he joined the Turkey Crucible and other reactionary organizations, actively engaging in actions for these doctrines. The pan-Turkey elements advocated that all nationalities who spoke Turkic languages and who believed in the Islamic religion form a unified country with Turkey at its center and with the unification of church and state. Therefore, the pan-Turkey and pan-Islam doctrines were a pair of twins, and their aim was to restore the Turkmen State and the Ottoman Empire, which had flourished for a time in history. These pan-Turkey and pan-Islam doctrines were often used by imperialism and reactionaries as anti-Soviet and anticommunist instruments to throttle national liberation movements and to suppress people. In 1915, after 22-year-old Mesut Sabri returned to Ili in the name of running a school for the Turkish people there, he actively engaged in pan-Turkey activities. Gradually, an organization with Mesut Sabri as the center was formed that propagated the doctrine of pan-Turkey. In the period of Yang Zengxin's [2799 1073 2450] chairmanship, his school was sealed up and access to it prohibited several times, and he was once thrown in prison. Mesut Sabri then left Xinjiang and reached Nanjing after passing through many different places. There he was taken in by the KMT, and was won over and trained by it. He became an instructor in the Uygur language in the border affairs office of the staff headquarters, a committee member of the national government, and a member of the KMT 5th Central Executive Committee. Successively in Nanjing, Tianjin, Shanghai, and Chongqing, with Aisa Aliptekin and others, he published the periodicals TIANSHAN [TIANSHAN MOUNTAIN], TUERQISITAN HUSHENG [VOICE OF TURKISTAN], ZHANZHENG XIAOXI [WAR NEWS], TUERQI YU [TURKISH LANGUAGE], WULUSI, and AERTAI YUEKAN [ALTAY MONTHLY], which loudly advocated the pan-Turkey doctrine. In September 1945, when Chang Chih-chung went to Xinjiang for the first time, Mesut Sabri, Aisa Aliptekin, and Muhamed Yimin Bugra went with him. After the provincial coalition government was established, Mesut Sabri filled the post of controlling inspector for Xinjiang Province. In May 1947 he became chairman of Xinjiang Province.

After Mesut Sabri came to power, together with Muhamed Yimin Bugra, provincial vice chairman and pan-Turkey element, and Aisa Aliptekin, chief secretary of the San Ch'ing T'u'an and secretary general of the provincial government, wantonly vilified the three prefectures and sent their lackeys to provoke and beat up progressive youths. Appointing a number of pan-Turkey elements to be commissioners, county magistrates, and headmasters, they actively carried out the so-called Turkic language unification movement, calling Xinjiang

Province Turkic Province, calling all minority nationalities in Xinjiang who believed in the Islamic religion Turkic nationalities, and doing all they could to Turkicize their spoken and written languages. To this end, under their direction a study group for the unification of the Turkic languages was knocked together and a plan for the Turkicizing of the Uygur written language was drafted, a plan that was widely propagandized and popularized among the people of all nationalities, in a vain attempt, through education, to destroy the intrinsic spoken and written languages of all the nationalities and attain the political aim of serving the pan-Turkey doctrine. They regularly held a "dernek" (a meeting of pan-Turkey elements), which, in the name of lecturing on nationalities, history, literature, language, and other academic questions, conducted pan-Turkey propaganda.

Naturally, the revolutionary people waged a resolute struggle against these pan-Turkey elements, who brought disaster to the people of all nationalities in Xinjiang. On 21 May 1947, when the news of Mesut Sabri's assumption of power had already been made public, posters and leaflets opposing Mesut Sabri were immediately stuck up and distributed on the streets of Dihua City. A signature drive by youths, students, and teachers opposing Mesut Sabri's becoming chairman was launched. On 28 May, Mesut Sabri's inaugural ceremony and the provincial legislature's inaugural session were merged into one and held, but the Ili side's committee members in the provincial government refused to attend. On the same day, a mass meeting of all nationalities and all quarters in Ili was held, as well as a demonstration in opposition to Mesut Sabri's becoming provincial chairman. During this period Ahmetjohn, Abdurkerim Abbas, and Seffidin Azizi agreed that they could not work with Mesut Sabri and other scum of the nation. Ahmetjohn said, "We want at any time to expound clearly and unmistakably our firm attitude of noncooperation with Mesut Sabri and other pan-Turkey elements. At the same time, we want to expose to the masses of people of all nationalities in Xinjiang, especially the great number of Uygur people—our compatriots—the ugly actions of Mesut Sabri and others. I think that the people of all nationalities demand this."⁹

Ahmetjohn demanded that Mesut Sabri and others, as "the scum of the nation," as "Chinese reactionaries and faithful running dogs of U.S. imperialism," and as a gang of "people not worth bothering about who blindly bring disaster to their native places, and, to attain their own ends, cause the people of their own nationality to shed rivers of blood."¹⁰ In issue No 3, 1948, of the magazine TONGMENG [ALLIANCE], ran a long article by Ahmetjohn, entitled "Who Are the Nationalists? How They Harm Their Own Nation!," in which he exposed the evil history of Mesut Sabri in acting as the running dog of imperialism. He pointed out that as early as World War I Germany's ally Turkey assigned the work of helping Germany to Mesut Sabri in Xinjiang. After Germany's defeat, Britain, proceeding from its anti-Soviet objectives, also found Mesut Sabri useful. They

shouted the slogan "Liberate the Turkic peoples on Tsarist Russia's territory and inside Xinjiang's borders, and establish the Pan-Turkic State with the Ottoman dynasty as its foundation," in a vain attempt to split China. "However, not a single person followed Mesut Sabri in achieving this risky plan for safeguarding the interests of colonialism, turning one's own native place into a battleground and destroying its people, and dragging one's own nation to doom." After World War II, Britain turned Mesut Sabri over to the United States, and, "because the present central government was completely under the iron-fisted control of U.S. imperialism, Mesut Sabri got supporters in the central government to work in Xinjiang," and their "basic mission was to oppose the Soviet government." Ahmetjohn predicted, "These obstacles to progress—Mesut Sabri and Aisa Aliptekin—as well as other renegades will be crushed to pieces by the great wheel of social development," and "all the crimes of the nationalists cannot adversely affect our people's staunch will and their united front in the struggle for freedom. They will fight to the last drop of their blood to achieve democratic politics in our province, to carry out the provisions of the peace treaty, and to ensure the people's tranquility."

On 17 February 1948, Ahmetjohn and Rahimjohn sent a letter to Chang Chih-chung: "Concerning the question of Mr Mesut Sabri, we must again make a statement to you, that is, Mr Mesut Sabri is not qualified to lead the Xinjiang people and to fill the post of provincial government chairman. He was appointed to this post under circumstances in which there was no regard for the people's protests that he ran counter to their interests. He thinks that the actual, specific methods for ruling this province are to create enmity between nationalities and to adopt measures of an oppositional nature to sow discord, instigate strife, and to plot and plan against the people in the province who possess a democratic and progressive will. In view of all this, he cannot become the leader of the Xinjiang people."

The letter added: "The people have already fully understood that, in the short time that Mr Mesut Sabri has been provincial government chairman, he has behaved badly toward the people. His future continuation in office is a harbinger for the Xinjiang people of more adversity, poverty, chaos, and disorder. Therefore, the demand of the people, who hope that peace will be safeguarded, for the dismissal of Mr Mesut Sabri from his post is the only correct, lawful demand." In October of the same year, an article by Ahmetjohn in issue No 1 of TONGMENG revealed the KMT's objective in using Mesut Sabri. He said, "The problem in the unilateral appointment of the chairman of the provincial government is that it is a brutal, evil act that destroys the treaty. The reason that the KMT rulers unilaterally put him in this position was to preserve their ruling, oppressive policy in our province, and then go on to put the power to administer Xinjiang in their own hands. On the other hand, their purpose was to improve their position of trust and faith among the Uygur people, so as to split the

united front of the Uygur people and to destroy and split the national liberation front."¹¹ On 12 November 1948, the Xinjiang League Central Committee issued a "Letter to All People in the Province—Commemorating the Fourth Anniversary of the Three-Prefecture Revolution," which called on people of all nationalities to struggle against Mesut Sabri, Aisa Aliptekin, and other reactionaries, and to strive for true peace and progress in Xinjiang.

Because Ahmetjohn and others mercilessly exposed the reactionary essence of Mesut Sabri and resolutely struggled against him, Chang Chih-chung was forced to change his mind, and he issued a decision to dismiss him.

IV

After the split occurred in the provincial coalition government and the representatives of the three prefectures and the progressive forces of the seven prefectures had gone to Ili, the three-prefecture revolution entered the stage of correcting mistakes and of pushing the revolution further forward. At that time, the tasks of the three-prefecture revolution were to "immediately reorganize the armed forces, restore the bankrupt economy and achieve self-sufficiency, and correct the confusion and mistakes in the political and ideological aspects."¹² Besides handling the overall work, Ahmetjohn handled the work of economic construction. Together with Abdukerim Abbas, in the political and ideological fields he corrected some mistakes of the three-prefecture revolution that were made in its initial stage, "especially the mistakes on the nationalities question, and, cooperating with the soon-to-be total victory of the Chinese peoples' war of liberation, did agitprop work on the unity of the motherland."¹³ What should be pointed out is that Ahmetjohn's struggle against the mistakes on the nationalities question in the three prefectures in the initial stage did not begin after August 1947. The mistaken outlook on nationalities was manifested mainly in hostility to the Han nationality and getting rid of them.¹⁴ It significantly harmed the revolution, sabotaging the unity of the nationalities and pushing people toward the enemy. Using this as a pretext, the enemy opposed the three-prefecture revolution.

In September 1946, an article by Ahmetjohn pointed out, "Our national liberation movement... is a movement against the rulers of this nationality and the people who stand on the side of the despotic government. Our people, particularly the intellectuals, must work under the premise of this viewpoint." On this point Ahmetjohn clearly pointed out that the three-prefecture revolution opposed the rulers among the Han nationality and not the entire Han nationality. He also hoped that the "Han nationality intellectuals would also work in line with this viewpoint. If a Han intellectual can treat our intellectuals with equality, then he can become the true friend of our intellectuals and can also receive their respect." He said, "In brief, no matter who it is, provided he has the common objective that we do, namely, the achievement

and establishment of democracy, and he also gives us equal rights, we can work together with him.... All people who hold this attitude, no matter who they are, are our friends; all those who do not hold this attitude, no matter who they are, are our enemies."¹⁵ That is to say, the demarcation line between the enemy and ourselves is not whether we belong to the same nationality, but rather whether we have a common goal of political struggle. All nationalities must uphold the principle of equality, which is the foundation for achieving the common political goal.

On 1 August 1948, the founding of the Xinjiang League was proclaimed. In the founding proclamation there was a call for "the Uygur, Kazak, Kirgiz, Mongolian, Han, Hui, and Uzbek nationalities to unite, in order to forever eliminate in reality their position as slaves without rights and to cast off their poor and dark life"; and, in the documents of the three-prefecture revolution, for the first time the Han nationality was included in the nationalities that it was necessary to unite with.

Ahmetjohn thought that the school was an important base for providing education on the correct outlook on nationalities and, thus, he attached much importance to the cause of education in the three prefectures, stressing that education must serve politics and must use the correct outlook on nationalities in educating the younger generation. "Using the spirit of achieving national liberation and democratic politics to educate youths should be the goal of education." He pointed out that departing from this goal would be extremely mistaken and detrimental. He said, "Can we, holding the view that 'by opposing the Han people we can win victory in the struggle for national liberation,' educate our youths in the angry spirit of opposing the Han nationality?" He insisted on the idea that nationalities, although divided into the large and the small, are not divided into the superior and the inferior. He said, "If we were to educate the youths to be hostile to the Han nationality and to like the Mongolian nationality, we would be self-contradictory, because the view that one nationality is excellent and another nationality is lowly, that one nationality is the aggressor and another nationality is the one suffering aggression would be produced among those receiving education." He said, "The aggressors are not the nationality, but the reactionaries of the nationality, the bureaucratic apparatus who betray the nationalities. They have no right to speak for the state, and they cannot become representatives of the state. Thus, it is incorrect to regard the group of Han nationality government officials in our province as representatives of the Han nationality people. These 'important persons' of ours are hostile to us, and are likewise hostile to the people of their own nationality."sup16

The 6 June 1949 issue of the magazine TONGMENG carried Ahmetjohn's well-known article, "Some of Our Mistakes on the Nationalities Question." The article began by citing Marx' well-known thesis that "a nationality that opposes other nationalities cannot achieve liberation." The article pointed out that the national

liberation movement in Xinjiang was part of the world anti-imperialism struggle, and to win victory in this struggle we must oppose world imperialism. He said, "In brief, to win victory in the national liberation movement, first of all its spearhead must be aimed at imperial and colonial policies. The contradictions of the oppressed people's liberation movement must be aimed not only at domestic enemies, but also at the same time at the inspirer of the imperialist, colonialist ruling policies—world imperialism." The article pointed out that the main mistake on the nationalities question made in the initial stage of the three-prefecture revolution was to oppose the Han nationality as a whole, not differentiating between the Han nationality people and KMT reactionaries, and thus "attacking and shooting dead one's own friends." The article said: "When our people take up weapons, go to the battlefield, overthrow the KMT regimes in Ining, Suiding, and other prefectures, and smash their armed forces, we once equated all the Han nationality people with the KMT bandits, mixing up all the Han nationality people with a handful of KMT Han nationality corrupt officials, bandits, and police. We thought all Han nationality people were enemies, with the result that we did not distinguish black and white and, without distinguishing between the enemy and ourselves, attacked and shot dead our own friends. And those deadly enemies of their own nationality, who were much more fiendish than any KMT reactionary official—the scum of the nation—received our protection. Thus, we took the supporters of our national liberation movement, the enemies of the KMT ruling clique, and our friends—the Han nationality people—and handed them over to their enemies. This was a completely mistaken and incorrect policy." The article further elaborated on these fundamental questions of the revolution: Who were the true enemies of the revolution, who were the principal objects of the revolution's attack, where should the spearhead of struggle be mainly directed, as well as who were our friends, and so forth. He said: "The democrats (note: meaning the communists) among the Han nationality are our allies; and the Chinese warlords, KMT counterrevolutionary clique, and world imperialism are the fierce enemies of our liberation cause." Therefore, "the important spearheads of our national liberation struggle should be aimed at the enemies of the people's freedom, the tyrannical KMT reactionaries, and imperialism; at those enemies of the Han nationality people's freedom who pursue reactionary policies in China—the survival of feudalism in China." "The main objective of our national liberation movement is to abolish the dictatorial system, ensure true equality of all nationalities, and implement democratic policies. At present, we cannot completely separate the national liberation movement from the democratic movement." Ahmetjohn pointed out that attention must be paid to these mistakes and that they must be corrected. He said: "For the national liberation movement, the perniciousness of Han chauvinism is great, as is the perniciousness of narrow nationalism." At the end of the article, Ahmetjohn discussed an extremely important idea, namely, that Xinjiang's revolutionary

movement is not isolated, that it cannot be separated from the Chinese people's cause of liberation. "On the questions of our nationality's liberation, equality, and freedom, only by carrying out a comradely type united struggle together with all nationalities and democrats (note: meaning the communists) can they be ensured." This joined the destiny of the people of all nationalities in Xinjiang with the liberation struggle throughout China, and made it an inseparable part of the revolutionary movement throughout China. It may be said that this well-known thesis of Ahmetjohn's made a general cleanup in ideology and theses of the mistakes on the nationalities question made in the initial stage of the three-prefecture revolution, thereby greatly raising the ideological consciousness of the people of all nationalities.

In Xinjiang—this multinational border region—the concept of the motherland and the question of the nationalities were a touchstone. On these questions of fundamental principle, Ahmetjohn insisted that Xinjiang was an inseparable part of China; insisted that Xinjiang and the motherland had the same destiny and a common spirit; insisted that Xinjiang's national liberation movement and the liberation war throughout China must support each other and cooperate with each other; insisted on using the class viewpoint in handling the nationalities question and distinguishing the enemy and ourselves; insisted that between all nationalities (between the Han nationality and all minority nationalities, and between all minority nationalities) there was, without exception, equality; and insisted that all nationalities must unite as one, face the enemy in common, and hold other Marxist viewpoints, wage arduous struggle against reactionary nationalism of all descriptions, patiently and painstakingly educate the people, thereby safeguarding the unity of the motherland and the unity of the nationalities. This is worthy of our study and commemoration forever.

Footnotes

1. "Speech by His Excellency Alihan Tore, Chairman of the Republic, to All Armymen and People in Bortala," originally carried in the Tacheng Prefecture newspaper, RENMIN ZHI SHENG, February 1946, (translation).
2. "Speech by Alihan Tore, Chairman of the East Turkistan People's Republic." See *Fifth Compilation of Reference Materials on the Three-Prefecture Revolution*.
3. In his article "International Situation and Alliance," Ahmetjohn said: "In line with the objectives of, and

based on our slogans raised in the earliest stage of the revolution, there should be established an 'independent Republic of East Turkistan,' but the treaty drops the question of 'establishing an independent Republic of East Turkistan.' We should now do things in accordance with the articles in the treaty." In his article "Who Are the Nationalists? How They Harm Their Own Nationality!," he said: "For the sake of peace we revoked the agreement on independence in the treaty." See *First Compilation of Reference Materials on the Three-Prefecture Revolution*.

4. Chang Chih-chung's "Letter to Compatriots of All Nationalities in Xinjiang" of 25 August 1946; Chang Chih-chung's "My Truly Fresh Answer and Serious Exhortation" of 30 October 1946.

5. "History of the Three-Prefecture Revolution" Compilation Group of the Ili-Kazak Autonomous Prefecture CPC Committee: *History of the Three-Prefecture Revolution: Record of Major Events* (opinion solicitation draft).

6. GEMING DE DONG TUERQISITAN BAO, 6 June 1946.

7. *Memoirs of Chang Chih-chung*, last volume, page 556. Literary History Reference Materials Publishing House, February 1985, first edition.

8. 3 October 1948 letter from Ahmetjohn and Rahimjohn Sabri to Chang Chih-chung.

9. Seffiddin Azizi: *Mighty Eagles of Tianshan Mountain*, Literary History Reference Materials Publishing House, published in December 1987.

10. Ahmetjohn: "Another Discussion on East Turkistan"; "Who Are the Nationalists? How They Harm Their Own Nation!"

11. Ahmetjohn: "Strength Lies in Unity."

12. Seffiddin Azizi: "Eternal Glory to Comrade Ahmetjohn and Other Revolutionary Martyrs," carried in the 26 August 1959 XINJIANG RIBAO.

13. Ibid.

14. Ibid.

15. Ahmetjohn: "The Current Task of Intellectuals and the Coming Elections," carried in the 6 October 1946 GEMING DE DONG TUERQISITAN BAO.

16. Ahmetjohn: "Speech at the Uygur-Kazak-Kirgiz Club to Teachers of Ining City Schools," carried in the magazine TONGMENG, No 4, 1949.

Taiwan Accused of 'Buying' Diplomatic Relations
40050005A

[Editorial Report] The 21 November issue of the Chinese-language PRC newspaper RENMIN RIBAO OVERSEAS EDITION, published in Hong Kong, carried on page 5 an article accusing Taiwan's government of throwing money at Third World countries to "buy" diplomatic relations. The author, Shen Zhengyi (3088 2973 0001), urges the Taiwan authorities to stop this behavior, which, he says, harms the interests of the Chinese people on both sides of the Taiwan Strait.

Shen refers to information reported in Taiwan's CHUNG KUO SHIH PAO indicating that Taiwan has used powerful monetary tools to carry out its "flexible diplomacy." One tool is the \$2 billion Overseas Cooperation and Development Fund founded in 1988 and targeted at Third World countries. This fund, claims the author, is designed to win economically-troubled countries over to Taiwan's side. Another monetary tool is government aid to Taiwan enterprises investing in foreign countries, which, the author observes, has given Taiwanese working overseas the reputation of being "rich tycoons" who are giving away money and has sent developing countries knocking on Taiwan's door.

Shen Zhengyi describes as examples of Taiwan's "buying" of diplomatic relations, the circumstances under which it established relations with Grenada and re-established relations with Liberia. Citing information from the Taiwan newspaper LIEN-HO PAO, Shen points out that well in advance of establishing diplomatic relations with Grenada, Taiwan's Executive Yuan decided to offer a loan of \$10 million as one of the terms and that Grenada's Prime Minister Blaize admitted that

the establishment of relations with Taiwan was a matter of "economic survival." In the case of Liberia, Shen points out that it was after Taiwan last year "donated" (quotation marks in source) 15,000 tons of rice that Liberia consented to Taiwan's request to set up a "trade delegation" with "full diplomatic privileges" (quotation marks in source) and that, according to the Liberian foreign minister, Liberia received \$210 million in economic aid from Taiwan by establishing diplomatic relations.

The author uses as ammunition for his argument a commentary in the Taiwan newspaper KUNG SHANG SHIH PAO indicating that people in Taiwan oppose their government's behavior. Drawing on the commentary, Shen Zhengyi points out that the Taiwanese have complained that the manner in which Taiwan established or re-established diplomatic relations with Grenada, Liberia, and Belize is nothing more than "using money to buy diplomatic relations" and that many feel that this is "false diplomacy." Shen cites "far-sighted" Taiwanese as questioning how long "money diplomacy" can last and worrying about the stability of relations thus founded should Taiwan find itself in a less favorable economic situation in the future.

Shen warns that although Taiwan's "flexible diplomacy" and "economic diplomacy" have met with "temporary" success in certain countries, its scheme of creating "two Chinas" will never succeed and in fact will only cause the Taiwanese to incur trouble for themselves and the condemnation of history. He expresses the hope that the Taiwan authorities will keep the interests of the Chinese people in mind, work toward the goal of peaceful reunification of the motherland, and stop engaging in activities detrimental to this goal.

Experts Warn Against Push for Independence*OW0712125689 Taipei CNA in English
1010 GMT 7 Dec 89*

[Text] Taipei, Dec. 7 (CNA)—Activities pushing for Taiwan independence might provoke Chinese Communist military intervention in Taiwan and bring disaster to all of the island's people, local experts on Chinese Communist affairs warned Wednesday.

The experts, who declined to be identified, pointed out that the Communist leaders in Peking had always been fierce and bitter in their reactions toward "Taiwan independence."

Teng Hsiao-ping told four visiting United States senators in January 1979 that Communist China would use force against Taiwan if Taiwan declared its independence.

In March 1984, Li Sheng-chih, director of the American Studies Institute of Communist China's Social Science Academy, said in a paper presented in the United States that Communist China would launch a military attack against Taiwan if Taiwan declared independence or if the island was engulfed by turmoil.

In September 1983, Teng Hsiao-ping told the then U.S. Defense Secretary Caspar Weinberger that Communist China could blockade Taiwan. Teng repeated the point when Japan's Komeito Chairman Yoshikatsu Takeiri visited Peking in November 1984.

Reacting to election campaign speeches calling for Taiwan independence, the overseas edition of the Nov. 28 issue of the Communist Chinese journal, *OUTLOOK WEEKLY*, warned that Taiwan independence would prompt a "strong and powerful reaction" from Peking.

By the same token, the experts said, Communist China would not tolerate Tibet independence either. "Activities pushing for Taiwan independence might cause havoc to the hard-earned prosperity, stability and safety now enjoyed by people in Taiwan," they warned.

Editorial Calls for Reduced Protectionism*90OH0068A Taipei CHING CHI JIH PAO in Chinese
3 Oct 89 p 2*

[Editorial: "Outmoded Protectionist Policies Can No Longer Be Continued"]

[Text] Recently, because of the unfairness with which the Agriculture Committee and the National Trade Bureau handled the beef import affair, domestic beef producers went to the Australian trade and industries representative in Taiwan to lodge a protest. On 25 September, Deputy Minister of Economic Affairs Chiang Ping-k'un [3068 0014 0981], speaking on behalf of the ministry about the beef import affair, reiterated the following three principles: 1) As a large trading nation, Taiwan must be dealt with expressly according to international norms. 2) It would be inadvisable to return to restrictive

measures. 3) Overall benefits outweigh specific benefits. We firmly agree with Vice Minister Chiang's three principles. Indeed, outmoded protectionism cannot and should not continue to be maintained.

During the past 40 years of Taiwan's economic growth, foreign trade was not highly developed and each year of the first 20 years was marked by an unfavorable balance. This was because, during that initial period, an industrial foundation still had not been laid. To develop industry and promote economic growth, Taiwan did in fact adopt various types of protectionist policies, such as rather high import tariffs—tariffs which were calculated at 20 percent of the price at the time the cargo was unloaded—and an approval system restricting the import of foreign goods. Certain goods actually could not be imported. During the sixties, various measures were gradually adopted to encourage exports. For example, taxes were reduced or remitted, high interest was paid for circulating assets, and there were drawbacks for goods sold abroad. And during a period in the fifties, there was a double entry exchange rate. The purpose of this was to limit imports and encourage exports.

The protectionist policies and measures of encouragement taken during the initial period did indeed greatly contribute to Taiwan's industrial development and economic growth. This not only enabled Taiwan to transform its economic structure from one based mainly on agriculture to that of a newly developing industrial country, it also enabled the nation's exports to increase greatly. By 1971, Taiwan's total amount of foreign trade already amounted to US\$30.9 billion. Moreover, the unfavorable balance of trade that had existed for so long in the past was transformed to a long-lasting favorable balance. After 1971, Taiwan's foreign trade shot up even higher. By 1988 it had reached US\$110 billion, with a surplus of US\$10.9 billion.

Not only did the government's foreign exchange reserves continue to accumulate following the expansion of trade and the large favorable balance increase, but our trading rivals, especially the United States, began to give Taiwan more attention. Using a collection of trade cases, they frequently brought pressure on us. They not only demanded that the new Taiwan dollar be revalued, they also demanded that we lower import tariffs, rescind various trade protectionist and restrictive measures, and open up our domestic markets. In confronting this situation, the Taiwan government fully understood that it was no longer advisable to continue the protectionist measures of the past. As a result, in addition to responding to U.S. demands to lower import tariffs and open up domestic markets, Taiwan also called for liberalization and internationalization of economic construction. With regard to foreign trade, we had to gradually rescind various trade protectionist measures to allow foreign businessmen and Taiwan businessmen to compete on an equal basis.

The majority of Taiwan businessmen fully accepted the government's liberalization policies. After the barriers

were removed one after another, they lodged no protests nor filed any petitions. However, there were a small number of sectors, in particular the agricultural sector, which were dissatisfied with the government's course of action in liberalization. They did protest and petition and even took to the streets to demonstrate. In addition, the agricultural administrative departments have been pressured by businessmen whose attitudes are markedly conservative.

Vice Minister Chiang's words are worth heeding. We live in an international community, and we must compete fairly with all our trading partners. There are certain international standards to be observed when engaging in trade. We cannot unilaterally protect ourselves and expect to enter the markets of other countries, nor can we close our own front gate. Moreover, we are already a large trading nation. Each year our trade exceeds US\$100 billion. If we overprotect ourselves, that will certainly provoke our trading rivals to retaliate. In the end, we could not compensate our losses.

People must understand that society is constantly progressing, and likewise we must also be able to constantly progress in the way we think and in the way we do things. Otherwise, we will not be able to keep up with the times. If the economy has progressed but our concepts and attitudes are still stuck in the past and we persist in acting in an outmoded way, treading the same old path and turning back the clock, then sooner or later the tide of progress will cast us aside.

Just as the economy has progressed, the differing industries can also renew themselves and rise from their declining destiny. No industry can prosper forever. Taking our domestic situation as an example, in the past, bananas, citronella oil, mushrooms, and asparagus all had their period of popularity and became favorite items of export. However, after a certain period of time, they inevitably went from conspicuous popularity to insipid obscurity. Looking at it from another aspect, we can see that some industries that were originally unimportant were able to grow sturdy and strong and came to play an essential role in our economic development. They became trade favorites. Both the electronics and data communications industries are examples of this. This why we cannot remain in a rut and never change. We must entertain developmental and dynamic concepts if we are to adapt to the trends of the time.

At the same time, everyone must realize that, irrespective of how large a country might be or how abundant its resources, not every industry can insist on its own development. Even agriculture is no exception. The area of the United States can be considered quite large and its population quite numerous. Yet it still cannot be totally self-sufficient. Some products still have to be imported. Taiwan at present comprises 36,000 square kilometers. Less than one quarter of this area is cultivated. Resources are somewhat lacking. We cannot under these circumstances seek self-sufficiency in agriculture. It would not be advantageous to try to produce certain

things in Taiwan. Growing wheat or developing cattle or sheep industries would be examples. We must act according to the law of advantage by producing those products that are the most advantageous for us to produce and use the surplus of these products as exports in exchange for those products which are the least advantageous for us to produce. In this way, the entire economy benefits. No matter how much the government protects those industries which are unsuitable for development, their future will be as limited as before. Moreover, it would at the expense of the entire body of consumers, whose interests could not be compensated. For these reasons, businessmen who are seeing their situations evolve must look at the overall picture and give greater consideration to the greater good. To guarantee their own investments, they should consider changing their line of business. In this way, they can benefit themselves and society as well.

DPP Disputes Election Results

HK0312024889 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 3 Dec 89 pp 1, 12

[By Willy Wo-lap Lam]

[Text] Democratic Progressive Party [DPP] members confronted police in three cities in Taiwan yesterday over election results and accusations of vote fixing by the Kuomintang [KMT].

Early today crowds of around 3,000 surrounded each local government building in the city of Taichung and the counties of Tainan and Nantou.

In Tainan and Nantou, the DPP candidates had lost by margins of a few thousand.

In Taichung, popular DPP politician Hsu Jong-shu, a candidate for mayor, was beaten at the polls by KMT candidate Lin Poh-yang. Hsu's supporters said that the vote counting had been tampered with.

Mr Lin Yi-cheng, a DPP official at the Taipei headquarters, said: "In two voting booths in Taichung it was found that the number of votes was more than the people who got in to cast their ballots. During vote counting in Tainan, there was a sudden black-out of electricity."

DPP supporters also accused the government of vote fixing in Nantou and Tainan. No incidents of violence or fighting between the police and DPP supporters were reported as of 2 am to day.

DPP officials in the three cities demanded a recount of the votes.

The opposition DPP made impressive gains at yesterday's elections for the legislature, heads of cities and counties, and provincial and city assemblies.

Early today the DPP had scored an estimated 35 per cent of the popular vote, a substantive improvement over the 22 per cent they garnered during legislative elections three years ago.

The KMT, which has consistently carried slightly over 70 per cent of total votes in past elections, got only around 65 per cent.

Thirteen other minor parties also fielded candidates, but the votes they got were not substantial.

Around 7.5 million people were estimated to have cast their votes yesterday.

Perhaps the most important indication of the DPP's strength is that of the 21 positions of mayors and county chiefs—for which the ruling KMT fielded 27 and the DPP 28 candidates—the opposition won six.

They included the two largest counties—Taipei and Kaohsiung, the counties of Yilan, Pingtung, Changhwa and Hsinchu. (The mayors of the cities of Taipei and Kaohsiung were appointed by the government.) Miss Chang Wen-Ying, who was elected mayor of Chiayi, is a partyless candidate closely allied to DPP causes.

Before the elections, most analysts thought the DPP could only secure four to five posts.

The DPP won around 20 legislative seats, a gain of eight over their present strength. The Kuomintang won around 66, and about 14 went to minor parties.

The KMT and DPP fielded respectively 140 and 57 candidates for the national legislature, 101 of whose 257 seats were open for elections.

Twenty-nine "overseas Chinese" legislators—including five from Hong Kong—are appointed by the government. The rest were "senior deputies" who were KMT members elected on the mainland in 1948.

Zhao Adviser To Head Group Supporting Prodemocracy Movement

HK0712031389 Hong Kong HONGKONG STANDARD in English 7 Dec 89 p 8

[By Fan Cheuk-wan]

[Text] A group of Taiwan activists will found the Blue China Association and publish a magazine next month under the leadership of a former adviser to deposed mainland leader Mr Zhao Ziyang.

Its principal financier said it would support the prodemocracy movement in China. It would be the first group created by Taiwanese after June 4 to adopt such an agenda.

Mr Zhang Gang, former deputy director of the External Liaison Office of the Research Institute of Economic Structural Reform under the state Council and a close

adviser to Mr Zhao, would lead the association and its magazine as soon as he was released in Taiwan.

Mr Zhang fled the mainland and was taken to Taiwan in October along with student leaders Mr Wang Longmeng and Mr Li Lin with the help of Taiwan activists.

Taiwan's Ministry of the Interior last month decided they would be allowed to stay because of their involvement in the pro-democracy student movement in Beijing.

However, they remained in police custody pending a decision on Mr Zhang's Communist Party membership.

In an interview with THE HONGKONG STANDARD, Mr Chen Pai-chung, director of the Tone Sound Music Company and convenor of the founders of the association, said it would be based in Taiwan.

Mr Chen has been a part of the "underground network" in Taiwan that aided Mr Zhang and the students.

A music graduate from the Soochow University in Taiwan and island native, he is devoted to traditional Chinese music, recordings of which he has imported from the mainland since 1987.

"It does not matter if Zhang Gang decides to keep his party membership or not, he will be the leader of the Blue China Association and the BLUE CHINA MAGAZINE," Mr Chen said.

He said they would co-operate with the Paris-based Federation for Democracy in China, the New York-based Chinese Alliance for Democracy and the Hong Kong Alliance in Support of Patriotic Democratic Movement in China, "to organise forums, seminars and research projects".

He said they would also work closely with the federation's Taipei office, soon to be established.

Mr Chen travelled to Hong Kong in October and met Mr Szeto Wah, chairman of the alliance, to discuss future plans.

"We have exchanged information about the operation of the underground networks in Hong Kong and Taiwan." He said they had also discussed publishing the group's magazine here and that further talks were planned.

Mr Chen said his group would be financially independent.

"The Blue China Association would not be involve in political struggle between the Kuomintang or the Communist Party. We are a group of patriotic intellectuals and our goal is purely to fight for democracy and liberty of the Chinese people".

He said his company would provide financial and human resources to launch the group.

Mr Chen said his comparty had donated more than NT\$5 million (HK\$1.51 million) to finance the "underground network" and to found the association, and that it would donate 30 percent of its monthly profits to sponsor the group.

He said his friend, Mr Peter Chang, president of the Trans-USA Financial Consulting Co in Taiwan, would also provide money. A foundation would be set up to collect funds.

Many of the group's 100 founders came from the 400-member Blood-linked Association in Support of the Pro-Democracy Movement on the Mainland.

The group's name came from the popular mainland television series *River Elegy*, which portrayed China's "blue" ocean orientation toward the outside world, not its inward looking, xenophobic "yellow" history.

Biodata on Dissident Hsu Hsin-Liang

90ON0152B Taipei TZULI WANPAO in Chinese
1 Oct 89 p 2

[Article by staff reporter Wei Yijun (7614 6318 0689): "Hsu Hsin-Liang—A Controversial Figure Returning to Full Swing"]

[Text] When the outside world was still arguing about whether his attempt for illegal entrance was successful, he was seen sitting on the floor, chewing areca, smoking cigarettes, and chatting just about everything with a smile on his face in the house of detention. There was no such scene as prisoners hugging and crying, only one round after another of meetings of heroes hailing from all circles. "Life is full of emotions, who cares about honor and rank?"—this famous remark of Wei Zheng, a fine chancellor of Tang dynasty, is the precise description of Hsu Hsin-liang's state of mind, which is a mixture of satisfaction and pleasure, at this very moment. Due to the time he spent overseas, Hsu Hsin-liang looked rather seasoned and weathered, but he did not lose any of his air of arrogance expressed in the following phrase: "Just give me a place to start and I will raise the entire earth."

Receiving Many Praises and Denunciations

If heroes are not judged by their success and failure, Hsu Hsin-liang should indeed be considered as a man of the hour in the history of Taiwan's opposition movement throughout the 1970's and 1980's. During this period of change, which is neither long nor short, Hsu Hsin-liang has played a variety of roles. In political stand, he has unremittingly switched his points of reference according to time and place. He was once a supporter of reform within the system and an enforcer of the radical leftist line. He was once a low-level official, Taoyuan County magistrate, who dared to carry out a highly powerful, destructive strategy against the KMT [Kuomintang]. He was once considered an honored guest who had close relations with the Taiwan Independence Association, but he was the one to start the practice of internal

criticism among overseas groups by vigorously criticizing the Taiwan Independence Association. During this repetition of unity and separation and gratitude and resentment, Hsu Hsin-liang was the thinker as well as the performer. His friends were dazzled by his wit and charm. His comrades were confused by his political lines at various points of his career. His deeds outside the party were cherished by the little people and his vehement words and deeds were abhorred by high-ranking officials. KMT members called him a turncoat. Some people abroad criticized him for speculation. Some media reporters saw his political character changing constantly and teased him as a dragon that changes color. Seeing Hsu Hsin-liang take the risk to enter Taiwan illegally ahead of schedule in order to mourn Yu Teng-fa [0151 4098 4099], some newly emerged politicians praised him as a gallant man. Among the people of ruling and nonruling parties in today's Taiwan, who but Hsu Hsin-liang could have received so much praise and so many denunciations or gathered gratitude and resentment all in one body?

Float and Sink With the Opposition Movement

During the 10 years of living overseas, Hsu Hsin-liang was once down and out. But his favorite sentence still is: "As long as I can move, I am okay." This sentence is perhaps the basic probe for the constant movements of all the roles he played. When he runs into a deadlock, he must create a turn for the better. In a time like this, who can or dare to remain unchanged? Therefore, in Hsu Hsin-liang's eyes, political strategy is a positive art full of possibilities that will not easily turn into a puddle of impossibly stagnant water. He loves to read books on the art of war and has a good understanding of the trick of changes described in the phrase "problems lead to change and change leads to solutions." Therefore, he has played on different stages many dynamic political roles, such as plotter, organizer, and campaigner. When he was overseas, sometimes he was quiet and inconspicuous; sometimes he was loud and popular. Sometimes, he conducted guerrilla warfare in cities; sometimes he switched to the peaceful line of debate at national assemblies. All such changes were made according to time and developments. If we take a closer look, we will find out that his stand against the KMT has not changed, the heat of his political sense, which is maintained by rushing about day and night, has not changed, and his innate character of political primate has not changed. What have changed are the KMT, which has gradually lifted restrictions, the rising power of Taiwan's middle class, and the soaring of overseas dissident groups and organizations. Overseas, Hsu Hsin-liang is, after all, a general who has lost his battleground. The reason he has made constant moves to confuse the KMT and disrupt the DPP [Democratic Progressive Party] is just to try to find a new way out for the continuation of his political sailing ability. This is what politics should be. There is nothing strange about it.

The twists and turns of Hsu Hsin-liang's spiritual path during 10 years as a nonparty member and 10 years of

living overseas are the exact epitome of the history of Taiwan's opposition movement. In 1982 a political magazine, TSUNG HUNG MONTHLY, in Taipei voted that 5 books most affected Taiwan's politics in the 1970's. Among them are *A Little Citizen's Wishes* and *A Letter of Blood From the South Sea*, which were created by the KMT to meet the needs of political struggle. The former instills apathy, while the later injects a sense of crisis. The other three books are *The Analysis of Taiwan's Social Force*, *The Sound of Wind and Rain*, and *Hail to the Election*. All of them are closely related to Hsu Hsin-liang, symbolizing the course of political consciousness of an educated youth. They are records of various courses of Hsu Hsin-liang's life, from working for the KMT Central Committee and serving as provincial council member to quitting the KMT and running for county magistrate. They also imply the course in which the authority of the KMT was shaken, challenged, and discredited by the workings of both internal and external factors. During this course, Hsu Hsin-liang played a decisive role and vigorously tried to create new opportunities whenever he reached a deadlock. His means was mostly to carry out reform and protect Taiwan, but he still could not avoid hurting the authority of the old tree—the KMT. After learning that there was no place for him, the young bud—Hsu Hsin-liang—had to quit and leave the KMT.

Going Into Exile With Family in the United States

After joining the ranks of nonparty members, Hsu Hsin-liang felt like a fish in water and found a chance to apply his approach. When he worked as the director of MEI-LI TAO [FORMOSA] magazine, Lin Cheng-chieh [2651 2973 2638] once said that Hsu Hsin-liang deserved to be called a politician because politics was a never-boring rhythmic art to him. With three abilities, then Hsu Hsin-liang expanded the power base of the Formosa political group to all major cities on the island of Taiwan. Basically, the Formosa political group represented non-ruling party forces in the form of a united front. It combined vertically three generations of old, middle-aged, and young leaders of non-ruling party factions. Horizontally, it covered supporters of leftist and rightist movements and lines whose interests often clashed with one another. It was at this time that Hsu Hsin-liang's charm and popularity peaked. Since he used to work directly under the KMT, he knew the political character of those in power only too well. Standing at "the balancing edge of a cliff," Hsu Hsin-liang strived to maintain the interrelationship between nonruling political groups and the KMT. Besides the fact that he was good at thinking, speaking, writing, and running, he made the risky Formosa political group look more and more like a real political party.

Due to his involvement in the Qiaotou demonstration incident, Hsu Hsin-liang lost his official post of county magistrate to the KMT. In October 1979, two months before the Formosa incident broke out, he went to the United States with his wife and children. His original plan was to study for a year in England. But since the

incident suddenly occurred, Hsu Hsin-liang's political life took a turn for the worse. Three days after the incident, he, Chen Wan-chen [7115 1238 4176], and other supporters of overseas movements quickly established the "United Front for the National Construction of Taiwan." Hsu Hsin-liang was the organizer. It was the first time that he joined the mainstream of the overseas opposition movement. At the same time, he was also doomed to go into exile in foreign land and continue to attempt illegal entrance in the future.

Six months later, the United Front split from within. Hsu Hsin-liang suddenly found that there was nothing for him to do, so he moved to Los Angeles to start the FORMOSA WEEKLY. The breakup of the United Front could be considered Hsu Hsin-liang's first major setback since he joined the ranks of opposition forces. An overseas dissident who was involved in this incident remembered, "The breakup of the United Front had something to do with Hsu Hsin-liang's personality. When he first arrived in the United States, he was very arrogant and supercilious. He considered himself as one who creates history!" Chen Fang-ming [7115 5364 2494], a political commentator involved in the editorial work of the FORMOSA WEEKLY, also said, "Overseas Chinese are different from nonruling party members. This is not an issue of who is right and who is wrong. It is because the experiences of the two sides are too different."

Personal Grievances Continued While Living Overseas

Chen Fang-ming's words hit home. Hsu Hsin-liang himself also frankly admitted that his role suffered from an identity crisis when he lived overseas. He asked himself, "After all, do people consider me as Taiwanese or Overseas Taiwanese?" If we examine Hsu Hsin-liang's role and position in his 10 years of living overseas, we will find that he obviously has never considered himself as an Overseas Chinese. Once, he clearly told our staff reporters, "Although I live overseas, I have never been concerned about overseas affairs. What I am concerned about is the opposition movement in Taiwan!"

Since the mass organizations of overseas movements understood his intention very well, there was nothing unusual about their constant breaking up and getting back together or about the rise of grievances between them. Running the weekly magazine made him suffer great financial difficulties, which forced his wife to work as a street vendor to pay household expenses. The FORMOSA WEEKLY improved the quality of opinion of the overseas opposition movement and imperceptibly upgraded the political views of fellow Taiwanese, but Hsu Hsin-liang also started the practice of written polemics between the mass organizations of the overseas movement. By criticizing leftist advocates of Taiwan independence for missing the big picture, he stirred up the political circle of Taiwanese living in the United States, which had been quiet and peaceful on the surface. Hsu Hsin-liang was bold in criticizing others; others hit

back in the same manner. Especially after the Democratic Progressive Party was established, Hsu Hsin-liang went all out to fight the Taiwan Independence Association on the issue of whether they should establish an overseas branch of the DPP. The continuous grievances with the mass organizations of the overseas movement caused Hsu Hsin-liang to explore painfully the road of politics. After all, his masses are in Taiwan. Taiwan can be the only battleground where he feels comfortable. When he suddenly realized that he was lost in the grievances of overseas groups, part of his nature, which is to challenge the deadlock, leaped out. One of the reasons why he shouted the practical slogan "political figures cannot live without roots" may be that he had realized the fact that he could not strike roots overseas and was therefore anxious to return to his homeland by illegal entrance.

Returning to Battleground To Face Trial

As mentioned above, it is not that hard to understand how Hsu Hsin-liang could talk freely about everything after he was arrested for illegal entrance into Taiwan. Like white breakers finally returning to the sea, in the past 10 years, he went full circle and returned to his original position. Without an enormous, tenacious life strength, he probably could not have survived such a course. Now he is facing a turning and starting point for the next stage in the political scheme. Hsu Hsin-liang, who is so conceited as to say "give me a starting point, and I will raise the entire earth," will no longer play the role of Don Quixote in exile in a foreign land. But under the spotlight of Taiwan's political stage, he will receive

both applauses and boos. As for how he will maneuver to regain his popularity, there will probably be another round of arduous struggle.

Negotiations Under Way for Air Routes to Hungary, Vietnam

*OW2611130989 Taipei International Service in English
0200 GMT 25 Nov 89*

[Text] Communications Minister Chang Chien-pang stated on Friday [24 November] that the ROC [Republic of China] is exploring all avenues in order to establish aviation ties with Hungary and Vietnam. Chang stressed that the ROC is seeking to establish aviation routes with two of its growing trade partners under the principle of mutual benefit.

The communications minister noted that the issue of obtaining landing rights and shortening air routes is the focus of negotiations currently being held by the governments of the nations, aviation bureaus, and private representatives. He said that China Airlines is handling all contacts with Vietnam. Chang noted that in the case of Hungary the nation is using other avenues.

According to reports, China Airlines is interested in beginning service to Ho Chi Minh City, formerly Saigon. Furthermore, officials stated that as securing Asian air route is now important, many East European countries have expressed their desire to begin air links with the ROC. However, due to pressure put on Eastern Europe by the Chinese Communists, negotiations are proceeding slowly.

Poll Shows Majority Want Direct Elections

*HK1112021989 Hong Kong SOUTH CHINA
MORNING POST in English 11 Dec 89 pp 1, 2*

[By Bernard Fong]

[Text] The public has endorsed the Omelco [Organization of Members of the Executive and Legislative Councils] political consensus which calls for a quicker pace of reform than last year's government White Paper envisaged.

An opinion poll conducted by Inrasia Pacific and commissioned by the SOUTH CHINA MORNING POST reveals that the majority of people want to see direct elections for 25 seats in the 1991 Legislative Council, compared with 10 in the White Paper.

The Foreign Affairs Committee of the House of Commons recommended that half of the seats be directly elected by 1991, and 100 percent four years later.

And the Hong Kong Government, specifically the Chief Secretary, Sir David Ford, has hinted that it would agree to a hastened pace of reform if the public demands it.

The survey was released yesterday on the eve of the Basic Law session in Guangzhou where, over the next two weeks, drafters will revise the draft document.

The political make-up of the Hong Kong Special Administrative Region will be the first item on the Basic Law agenda.

The survey of 605 respondents shows that the majority would like to see 25 directly-elected seats in 1991, 29 in 1995 and 31 after 1997. The latest findings are consistent with those in a similar July opinion poll, proving that the public conviction on political reform has not wavered.

A Legislative Councillor, Mr Jimmy McGregor, yesterday said he was pleased, but not surprised, by the poll findings.

"I was convinced from day one that we had public support because our consensus was the most democratic and moderate offer.

"I am critical of the Hong Kong Government for not conducting a poll among voters. They could have easily done this," he said.

Mr McGregor said that the British and Hong Kong governments were not keen to test public views on reform because they did not want to incur the wrath of China, or be seen to be championing the Omelco consensus.

The Beijing Government, he said, was also in a dilemma as its supporters were urged to promote various "undemocratic models".

He appealed to the Deputy Director of the Hong Kong and Macao Affairs Office, Mr Lu Ping, who is also a senior Basic Law drafter, to heed the political aspirations of the Hong Kong public.

"Mr Lu told us before the Tiananmen Square incident that China would agree to a political model which the Hong Kong people wished to have," he said.

The majority of respondents said they would like to see 18 functional constituency seats in 1991, 25 by direct elections and 17 by appointment.

The current Legislative Council comprises 30 appointees (including 10 civil servants), 14 functional constituency representatives and a dozen district board and municipal council members.

The political model favoured by the majority is a close approximation to the Omelco consensus.

That compromise, reached after considerable wrangling, calls for the 1991 legislature to be evenly divided into functional constituency, directly-elected and appointed seats, culminating in total democracy in 2003.

Ninety-five percent of the registered voters who answered the Inrasia poll said they wanted 15 or more Legislative Council seats elected directly in 1991. The opinion was generally shared by non-voters.

While opinions varied on the exact number of directly-elected seats for 1991, there was an overwhelming agreement on a faster pace of reform.

Most believed that progress should be steady through to 1997 and beyond, belying the claim by the liberals that, given a choice, the majority would favour total direct elections.

Only five percent of the respondents demanded total direct elections in 1991. Eight percent requested total direct elections in 1997.

Nor were the respondents keen on a confrontation with the Chinese Government which promptly rejected the Omelco consensus.

Fifty-three percent said they would seek a compromise with China if it continued to oppose a faster pace of reform.

The Beijing Government has reiterated that it would not recognise constitutional changes in Hong Kong which do not agree with the provisions of the Basic Law.

A quarter said the Hong Kong Government should spur political reform despite Beijing's opposition. Only five percent would acquiesce to China.

The respondents also favoured 16 functional constituency seats in 1995, two fewer than in 1991. They were willing to accept 15 appointed seats in 1995. No preference was shown for how many, if any, seats should be reserved for civil servants.

While reservations had been expressed about the merits of an electoral college, which China favours, the majority would accept 14 seats in the 1997 legislature to be nominated by such a committee, comprising professional lobbies, unions and associations.

Inrasia's managing director, Mr David Bottomley, said of the poll: "Political models may come and models may go, but public opinion continues very steadily in favour of about half the Legislative Councillors being directly elected.

"That was about the result the SOUTH CHINA MORNING POST polls were getting in 1987 and have continued to get over the last two years.

"They want a reduction in the number appointed by government means, but appreciate the value of the functional constituencies and see them contributing about a quarter of the councillors."

Percentage of Directly Elected Councillors			
	1981 Election	1985 Election	First Election After 1997
Voters	42	51	57
Nonvoters	42	47	50
Total	42	49	52

Composition of Legislature			
	1991 Election	1995 Election	First Election After 1997
Functional seats	18	16	15
Direct election	25	29	31
Appointees	17	15	
Electoral college			14
Total councillors	60	60	60

PRC Broadens Scholarship Plan for Local Students

HK0912035989 Hong Kong HONGKONG STANDARD in English 9 Dec 89 p 6

[By Fan Cheuk-wan]

[Text] China has widened a post-graduate scholarship scheme for Hong Kong students to enhance mutual understanding between the mainland and the territory.

In a bid to entice more Hong Kong students to pursue studies on the mainland, the Chinese authorities have exempted Hong Kong students from the political education courses which resident students are compelled to take.

Mr Hui Tak-shun, project officer of the China-funded Beijing Hong Kong Academic Exchange Centre, yesterday told THE HONGKONG STANDARD the State Education Commission under the State Council had broadened a post-graduate studies scholarship scheme for Hong Kong students.

The Beijing Hong Kong Academic Exchange Centre started the post-graduate studies scheme in 1988 with the help of the State Education Commission.

"Last year, 37 Chinese universities and colleges joined the scheme and provided seats for Hong Kong students. This year, the State Education Commission authorised more than 60 universities and colleges to join in the scheme," he said.

Successful applicants can pursue post-graduate studies in more than 60 Chinese universities and colleges free of tuition charges, accommodation fees and medical fees.

Nineteen of the universities and colleges have provided an annual scholarship of 3,396 yuan (HK\$6,500) for post-graduate students pursuing masters degrees and 3,636 (HK\$7,000) for a medical degree.

Mr Hui said the State Education Commission granted 13 out of more than 40 applications from Hong Kong students last year.

Twelve of those began attending courses on the mainland in October.

Mr Hui did not believe the number of Hong Kong applicants for the post-graduate courses this year would drop as a result of the June 4 massacre.

"Of course, there will be greater restrictions on the personal freedom of the Hong Kong students studying in China under the existing tense political atmosphere.

"But there is still a strong demand by Hong Kong students for degrees granted on the Chinese mainland," he said.

Mr Hui said the State Education Commission had promised to exempt Hong Kong students from the political lessons and political examinations which were compulsory for mainland students.

In the past, political lessons were optional for Hong Kong students, but they were still required to negotiate exemptions with the university and college authorities.

"After repeated negotiations with the State Education Commission, it agreed to guarantee that Hong Kong students would be exempted from the political education, to which Hong Kong people found it quite difficult to adapt," he said.

A number of Hong Kong student studying in Beijing took part in pro-democracy demonstrations and hunger strikes last Spring.

Hong Kong student Yao Yongzhan, who studied in Fudan University in Shanghai, has been detained by the Shanghai Public Security Bureau since June for allegedly instigating counter-revolutionary activities in the city.

"The State Education Commission won't mind Hong Kong students rejecting the socialist system, but it won't tolerate them breaking the laws of China," he said.

Foreign Investment Increases in Hong Kong

*OW1411233889 Beijing XINHUA in English
1553 GMT 14 Nov 89*

[Text] Hong Kong, November 14 (XINHUA)—Overseas investment in Hong Kong's manufacturing industries grew by 24 percent last year, according to the latest survey report released by the Industry Department this afternoon.

Announcing results of the survey at a press conference, T.H. Barma, director of industry, said total overseas investment in Hong Kong's manufacturing industries at the end of 1988 had exceeded H.K.\$26 billion—24 percent higher than in 1987 and more than double the figure recorded at September 1984.

The annual survey identified 605 manufacturing companies with overseas investment in 1988 compared with 593 in the previous year.

The United States continued to be the leading source of investment, contributing 34 percent of total overseas investment.

"Japan, China and Britain remained in second, third and fourth places, with 27 percent, 11 percent and nine percent of the total investment respectively," Barma said.

"Japan invested more in Hong Kong's manufacturing industries in 1988 than any other investing country and, if its present rate of investment continues, it may soon challenge the United States in the first place," he added.

Hong Kong's inward investment promotion efforts were to encourage overseas investors to introduce to Hong Kong, through their investments, new or improved products, processes, designs and management techniques, according to Barma.

The survey results show that 40 percent of the total overseas invested companies were joint ventures with local partners, a form of cooperation which help transfer technology, management skills and guidance in research and development.

Barma said that 62 percent of the responding companies considered the manufacturing investment environment in Hong Kong to be favorable.

But he did not expect the growth rate of overseas investment in Hong Kong this year would be as high as that of 1988, although the results would be known a year later.

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